

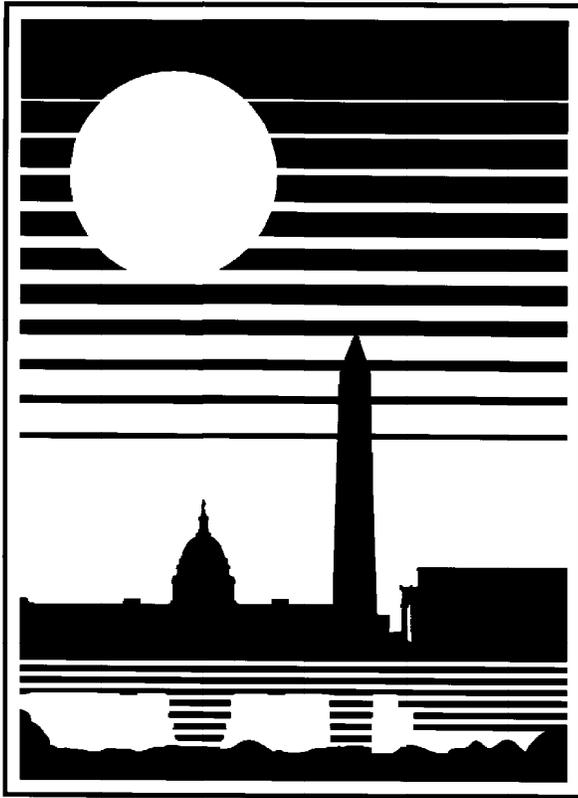


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Circular E, Employer's Tax Guide



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Changes To Note

Employment tax rates and wage bases for 1997.—

Social Security Tax:

- Tax Rate—6.2% each for employers and employees
- Wage Base—\$65,400

Medicare Tax:

- Tax Rate—1.45% each for employers and employees
- All wages subject to Medicare tax

Federal Unemployment (FUTA) Tax:

- Tax Rate—6.2% (employers only)
- Wage Base—\$7,000

Electronic deposit requirement.— If your total deposits of social security, Medicare, railroad retirement, and withheld income taxes were more than \$50,000 in 1995, you must make electronic deposits for *all* depository tax liabilities that occur after June 30, 1997. When determining whether you exceeded the \$50,000 threshold, combine deposits of the following tax returns you filed: Forms 941, 941-PR, 941-SS, 943, 945, and CT-1. If you were required to deposit by electronic funds transfer in prior years, you must continue to do so throughout 1997. The **Electronic Federal Tax Payment System (EFTPS)** must be used to make electronic deposits. If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. Taxpayers who are not required to make electronic deposits may voluntarily participate in EFTPS. For information on EFTPS, call 1-800-945-8400 or 1-800-555-4477. (These numbers are for EFTPS information only.)

Notice CP 136 mailout limited.— The annual deposit schedule notification (Notice CP 136) will not be mailed to all employers for 1997. For 1997 and following years, this notice will be mailed only to employers identified as having a change in their deposit schedule (monthly or semiweekly) for the next calendar year. See **When To Deposit** on page 19 for guidance on determining your deposit schedule.

New voluntary income tax withholding.— Beginning January 1, 1997, states must allow **unemployment compensation** recipients to elect to have Federal income tax withheld at a 15% rate. This also applies to recipients paid under the Railroad Unemployment Insurance Act. In addition, a payee who receives any of the following Federal payments may request Federal income tax withholding at a rate of 7%, 15%, 28%, or 31%:

- Social security and tier 1 railroad retirement benefits
- Certain crop disaster payments
- Commodity Credit Corporation loans

The payee may request withholding on any of these payments on the new **Form W-4V**, Voluntary Withholding Request, or you may develop your own form. Any voluntary withholding on these payments must be reported on **Form 945**, Annual Return of Withheld Federal Income Tax, and is subject to the deposit rules (see section 11).

Qualifying newspaper distributors and carriers treated as statutory nonemployees.— For services performed after 1995, qualifying distributors and carriers of newspapers (including shopping news) are statutory nonemployees (direct sellers). See section 1 of Pub. 15-A for more information.

Tax Law Changes—Employee Benefits

New laws have been enacted to provide the following employee benefit plans. See **Pub. 553**, Highlights of 1996 Tax Changes, for more information.

Educational assistance programs.— The \$5,250 exclusion for employer-provided educational assistance programs, which expired after December 31, 1994, has been extended retroactively for taxable years beginning after December 31, 1994. The exclusion will expire again for taxable years beginning after May 31, 1997. Also, for taxable years beginning in 1997, the exclusion does not apply to any course beginning after June 30, 1997. The educational assistance exclusion does not apply to graduate level courses beginning after June 30, 1996. See section 5 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

Corrections.— If you included qualified educational assistance amounts in your employees' gross income after the exclusion expired on December 31, 1994 (for 1995 and 1996), see section 13 and the instructions for Forms 940 and W-2c for information on correcting the returns on which you reported this income.

To make these corrections simpler, you are not required to obtain the usual written statements from employees to claim withheld social security and Medicare taxes reported for these payments. However, if you do not obtain these employee statements, you must:

- 1) Notify affected employees that:
 - a) You are claiming the employees' share of these taxes on their behalf, and
 - b) Employees must not file their own claims for these taxes and must notify you if any such claims have been filed.
- 2) Refund the overcollected social security and Medicare taxes to these employees for amounts not already included in previous claims filed by the employees.

- 3) State on Form 941c (Part V) that you have done both of the above, instead of completing Part I. Write "IRC 127" at the top of Form 941c.

If you file Form 843 to claim a refund for these amounts, write "IRC 127" at the top of the form and the IRS will expedite your claim. Your employees should file Form 1040X to claim a refund for any income tax paid on excludible educational assistance based on the Form W-2c you provide them.

Simple retirement accounts.— For years beginning after 1996, qualified employers may adopt a "simple retirement plan" for their employees. Employer and employee contributions to a simple retirement account (subject to limitations) are excludible from the employee's income and are exempt from Federal income tax withholding. Nonelective (2%) and matching employer contributions are exempt from social security, Medicare, and Federal unemployment (FUTA) taxes. However, elective salary reduction contributions are subject to these employment taxes.

Salary reduction simplified employee pensions (SARSEP) repealed.— You may not establish a salary reduction simplified employee pension (SARSEP) after 1996. However, SARSEPs established before 1997 can continue to receive contributions.

Adoption assistance plans.— For taxable years beginning after 1996, you may establish an adoption assistance plan for your employees. At the time Circular E went to print, details were not available concerning the employment tax treatment of qualified adoption assistance plan payments. See Pub. 553 for more information.

Medical savings accounts.— Exclude any qualified contributions (subject to limitations) you make to an employee's medical savings account. Qualified employer contributions are not subject to Federal income tax withholding or social security, Medicare, or Federal unemployment taxes. Employee contributions to their medical savings account through a payroll deduction plan are not excludible from income or exempt from employment taxes. However, employees may be entitled to a deduction on their individual tax return for their qualified contributions.

Long-term care insurance.— A qualified long-term care insurance contract for employees is treated as an accident and health insurance contract for employment tax purposes. Premiums are excludible from employees' income and are exempt from Federal income tax withholding and social security, Medicare, and Federal unemployment (FUTA) taxes.

Calendar

The following is a list of important dates. Also see **Pub. 509, Tax Calendars for 1997.**

Note: For any due date, you will meet the "file" or "furnish" requirement if the form is properly addressed and mailed First-Class on or before the due date. If any date shown falls on a Saturday, Sunday, or legal holiday, use the next business day.

By January 31.— Furnish each employee a completed **Form W-2**, Wage and Tax Statement. Furnish each recipient a completed Form 1099 (e.g., **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and **Form 1099-MISC**, Miscellaneous Income). You may furnish Form W-2 or 1099 by mail as explained in the **Note** above.

File **Form 940** or **Form 940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all the FUTA tax when due, you may file Form 940 or 940-EZ by February 10.

File **Form 945**, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 1996. See **Nonpayroll Income Tax Withholding** on page 4 for more information.

By February 15.— Ask for a new **Form W-4**, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from withholding last year.

On February 16.— Any Form W-4 previously given you claiming exemption from withholding has expired. Begin withholding for any employee who previously claimed exemption from withholding but has not given you a new Form W-4 for the current year. If the employee does not give you a new Form W-4, withhold tax as if he or she is single, with zero withholding allowances. (See section 9.)

By February 28.— File Copy A of all Forms 1099 with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns, with the Internal Revenue Service Center for your area.

File Copy A of all Forms W-2 with **Form W-3**, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA).

File **Form 8027**, Employer's Annual Information Return of Tip Income and Allocated Tips, with the Internal Revenue Service. (See section 6.)

By April 30, July 31, October 31, and January 31.— Deposit Federal unemployment (FUTA) tax due if it is more than \$100.

File **Form 941**, Employer's Quarterly Federal Tax Return, and **deposit** any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$500. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

Before December 1.— Remind employees to submit a new Form W-4 if their withholding allowances have changed or will change for the next year.

On December 31.— **Form W-5**, Earned Income Credit Advance Payment Certificate, expires. Eligible employees who want to receive advance payments of the earned income credit next year must give you a new Form W-5.

Important Reminders

Hiring New Employees

Eligibility for employment.— You must verify that each new employee is legally eligible to work in the United States. This will include completing the Immigration and Naturalization Service (INS) **Form I-9**, Employment Eligibility Verification. You can get the form from INS offices. Contact the INS at 1-800-755-0777 for further information.

Income tax withholding.— Ask each new employee to complete the 1997 Form W-4.

Name and social security number.— Record each new employee's name and number from his or her social security card. Any employee without a social security card should apply for one. (See section 4.)

Paying Wages, Pensions, or Annuities

Income tax withholding.— Withhold tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding rate. (If you have nonresident alien employees, see section 9.) Withhold from periodic pension and annuity payments as if the recipient is married claiming three withholding allowances, unless he or she has provided **Form W-4P**, Withholding Certificate for Pension or Annuity Payments, either electing no withholding or giving a different number of allowances, marital status, or additional amount to be withheld. Do not withhold on direct roll-overs from qualified plans. See section 9 and **Pub. 15-A**,

Employer's Supplemental Tax Guide. Pub. 15-A includes information on withholding on pensions and annuities.

Information Returns

You may have to file information returns to report certain types of payments made during the year. For example, you must file **Form 1099-MISC**, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (e.g., independent contractors) for services performed for your trade or business. For details about filing Forms 1099 and for information about required magnetic media filing, see the separate **Instructions for Forms 1099, 1098, 5498, and W-2G**. Do not use Forms 1099 to report wages and other compensation you paid to employees; report these on Form W-2. See the separate **Instructions for Form W-2** for details about filing Form W-2 and for information about required magnetic media filing. If you file 250 or more Forms W-2 you must file them on magnetic media.

Information reporting call site.— The IRS operates a centralized call site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions related to reporting on information returns, call 304-263-8700.

Nonpayroll Income Tax Withholding

Nonpayroll income tax withholding must be reported on **Form 945**, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 1996 is due January 31, 1997. Separate deposits are required for payroll (Form 941) and nonpayroll (Form 945) withholding. Nonpayroll items include:

- Pensions, annuities, and IRAs.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.
- Voluntary withholding on certain government payments (for 1997 and later years).
- Backup withholding.

All income tax withholding reported on Forms 1099 or W-2G must be reported on Form 945. All income tax withholding reported on Form W-2 must be reported on Form 941, 943, or Schedule H (Form 1040).

Example: Because distributions to participants from nonqualified pension plans and some other deferred compensation plans are treated as wages and are reported on Form W-2, they must be reported on Form 941, not Form 945. However, distributions from such plans to a beneficiary or estate of a deceased employee are not wages and are reported on Forms 1099-R and 945.

For details on depositing and reporting nonpayroll income tax withholding, see the separate **Instructions for Form 945**.

Employer Responsibilities: The following list provides a brief summary of your basic responsibilities. Because the individual circumstances for each employer can vary greatly, their responsibilities for withholding, depositing, and reporting employment taxes can differ. Each item in this list has a page reference to a more detailed discussion in this booklet.

New Employees:

	Page
<input type="checkbox"/> Verify work eligibility of employees	4
<input type="checkbox"/> Record employees' names and SSNs from social security cards	4
<input type="checkbox"/> Ask employees for 1997 Form W-4	4

Each Payday:

<input type="checkbox"/> Withhold Federal income tax based on each employee's Form W-4	32
<input type="checkbox"/> Withhold employee's share of social security and Medicare taxes	13
<input type="checkbox"/> Include advance earned income credit in paycheck if employee requested it on Form W-5	14
<input type="checkbox"/> Deposit in an authorized financial institution:	
• Withheld income tax, plus	
• Withheld and employer social security taxes, plus	
• Withheld and employer Medicare taxes, less	
• Any advance earned income credit	16

Note: *Due date of deposit depends on your deposit schedule (monthly or semiweekly).*

Quarterly (By April 30, July 31, October 31, and January 31):

	Page
<input type="checkbox"/> Deposit FUTA tax in an authorized financial institution if undeposited amount is over \$100 ..	26
<input type="checkbox"/> File Form 941 (pay tax with return if not required to deposit)	21

Annually (See Calendar for due dates):

<input type="checkbox"/> Remind employees to submit a new Form W-4 if they need to change their withholding	12
<input type="checkbox"/> Ask for a new Form W-4 from employees claiming exemption from income tax withholding	12
<input type="checkbox"/> Reconcile Forms 941 with Forms W-2 and W-3	22
<input type="checkbox"/> Furnish each employee a Form W-2	3
<input type="checkbox"/> File copy A of Forms W-2 and the transmittal Form W-3 with the SSA	3
<input type="checkbox"/> Furnish each recipient a Form 1099 (e.g., Forms 1099-R and 1099-MISC)	3
<input type="checkbox"/> File Forms 1099 and the transmittal Form 1096	3
<input type="checkbox"/> File Form 940 or 940-EZ	26
<input type="checkbox"/> File Form 945 for any nonpayroll income tax withholding	4

Backup withholding.— You generally must withhold 31% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number. This withholding is referred to as backup withholding.

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding. Backup withholding does not apply to wages, pensions, annuities, IRAs, or real estate transactions.

You can use **Form W-9**, Request for Taxpayer Identification Number and Certification, to request payees to furnish a taxpayer identification number and to certify that the number furnished is correct. You can also use Form W-9 to get certifications from payees that they are not subject to backup withholding or that they are exempt from backup withholding. The **Instructions for the Requester of Form W-9** includes a list of types of payees who are exempt from backup withholding. For more information, see **Pub. 1679**, A Guide to Backup Withholding.

Recordkeeping

Keep all records of employment taxes for at least 4 years. These should be available for IRS review. Records should include:

- Your employer identification number.
- Amounts and dates of all wage, annuity, and pension payments.
- Amounts of tips reported.
- The fair market value of in-kind wages paid.
- Names, addresses, social security numbers, and occupations of employees and recipients.
- Any employee copies of Form W-2 that were returned to you as undeliverable.
- Dates of employment.
- Periods for which employees and recipients were paid while absent due to sickness or injury, and the amount and weekly rate of payments you or third-party payers made to them.
- Copies of employees' and recipients' income tax withholding allowance certificates (Forms W-4, W-4P, W-4S, and W-4V).
- Dates and amounts of tax deposits you made.
- Copies of returns filed.
- Records of allocated tips.

- Records of fringe benefits provided, including substantiation.

Change of Address

To notify the IRS of a new business mailing address or business location, file **Form 8822**, Change of Address.

Ordering Forms or Publications

If you need to order forms or publications, including additional copies of this booklet, use **Form 7018-A**, Employer's Order Blank for 1997 Forms, at the end of this booklet or call 1-800-TAX-FORM (1-800-829-3676).

Forms and publications are also available by a personal computer and modem. If you subscribe to an online service, ask if IRS information is available and, if so, how to access it. You can get information through IRIS, the Internal Revenue Information Services, on FedWorld, a government bulletin board. Tax forms, instructions, publications, and other IRS information, are available through IRIS.

IRIS is accessible using your modem by calling 703-321-8020. On the Internet, telnet to iris.irs.ustreas.gov, or for file transfer protocol services, connect to [ftp.irs.ustreas.gov](ftp://ftp.irs.ustreas.gov). If you are using the World Wide Web, connect to <http://www.irs.ustreas.gov>.

FedWorld's help desk offers technical assistance on accessing IRIS (not tax help) during regular business hours at 703-487-4608. The IRIS menus offer information on available file formats and software needed to read and print files. You must print the forms to use them; the forms are not designed to be filled out on-screen.

Telephone Help

Tax questions.— You can call the IRS with your tax questions Monday through Friday during regular business hours. Check your telephone book for the local number or call 1-800-829-1040.

Unresolved tax issues.— The **Problem Resolution Program** is for people who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

Telephone help using TTY/TDD equipment.— If you have access to TTY/TDD equipment, you may call 1-800-829-4059 with your tax question or to order forms and publications. You may also use this number for problem resolution assistance.

Recorded tax information (Tele-Tax).— The Tele-Tax service provides recorded tax information on topics that answer many individual and business Federal tax questions. You can listen to up to three topics on each call you make. Touch-tone service is available 24 hours a day, 7 days a week.

A list of employment tax topics is provided below. Select, by number, the topic you want to hear. Then call 1-800-829-4477 and select option 2, Recorded Tax Information. For the directory of topics, listen to topic 123.

Tele-Tax Topics

Topic No.	Subject
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940/940-EZ—Deposit requirements
760	Form 940/940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Form 945—Annual Return of Withheld Federal Income Tax
762	Tips—Withholding and reporting

General Information

This guide explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS and SSA. (The instructions for each form have detailed filing requirements and instructions for completing the forms.) This guide also has tax tables you need to figure the taxes to withhold for each employee for 1997.

Additional employment tax information is available in **Pub. 15-A**, Employer's Supplemental Tax Guide. Pub. 15-A includes specialized information supplementing the basic employment tax information provided in this guide.

Most employers must withhold (except FUTA), deposit, report, and pay the following employment taxes—

- Income tax.
- Social security and Medicare taxes.
- Federal unemployment tax (FUTA).

There are exceptions to these requirements. See Section 15, **Special Rules for Various Types of Services and Payments**. Railroad retirement taxes are explained in the **Instructions for Form CT-1**.

Federal Government employers.— The information in this guide applies to Federal agencies except for the rules requiring deposit of Federal taxes only at Federal Reserve banks or through the FedTax option of the Government On-Line Accounting Link Systems (GOALS). See the **Treasury Financial Manual (I TFM 3-4000)** for more information.

State and local government employers.— Employee wages are generally subject to Federal income tax withholding, but not Federal unemployment (FUTA) tax. In addition, wages, with certain exceptions, are subject to social security and Medicare taxes. See section 15 for more information on the exceptions.

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official.

1. Employer Identification Number (EIN)

If you are required to report employment taxes or give tax statements to employees or annuitants, you need an EIN.

The EIN is a nine-digit number the IRS issues. The digits are arranged as follows: 00-000000. It is used to identify the tax accounts of employers and certain others that have no employees. **Use your EIN on all the items you send to the IRS and SSA.** For more information, get **Pub. 1635**, Understanding Your EIN.

If you have not asked for an EIN, request one on **Form SS-4**, Application for Employer Identification Number. You can get this form at SSA offices or by calling 1-800-TAX-FORM. You can ask for an EIN by calling the tele-TIN phone number for your state's IRS Service Center listed in the instructions for Form SS-4. (The Philadelphia Service Center has a new telephone number: 215-516-6999.)

You should have only one EIN. If you have more than one and are not sure which one to use, please check with the Internal Revenue Service Center where you file your return. Give the numbers you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use.

If you took over another employer's business, do not use that employer's EIN. If you don't have your own EIN by the time a return is due, write "Applied for" and the date you applied in the space shown for the number.

See **Depositing without an EIN** on page 18 if you must make a deposit and you don't have an EIN.

2. Who Are Employees?

Generally, employees are defined either under common law or under special statutes for special purposes.

Employee status under common law.— Anyone who performs services for you is your employee if you can control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. Get **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an independent contractor or an employee.

Generally, people in business for themselves are not employees. For example, doctors, lawyers, veterinarians, construction contractors, and others in an independent trade in which they offer their services to the public are usually not employees. However, if the business is incorporated, corporate officers who work in the business are employees.

If an employer-employee relationship exists, it does not matter what it is called. The employee may be called an agent or independent contractor. It also does not matter how payments are measured or paid, what they are called, or if the employee works full or part time.

Statutory employees.— If someone who works for you is not an employee under the common law rules discussed above, do not withhold Federal income tax from his or her pay. Although the following persons may not be common law employees, they may be considered employees by statute for social security, Medicare, and FUTA tax purposes under certain conditions.

- 1) An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- 2) A full-time life insurance salesperson.
- 3) A homemaker who works by guidelines of the person for whom the work is done, with materials furnished by and returned to that person or to someone that person designates.
- 4) A traveling or city salesperson (other than an agent-driver or commission-driver) who works full time (except for sideline sales activities) for one firm or person getting orders from customers. The orders must be for items for resale or use as supplies in the customer's business. The customers must be retailers, wholesalers, contractors, or operators of hotels, restaurants, or other businesses dealing with food or lodging.

Get Pub. 15-A for details on statutory employees.

Statutory nonemployees.— Direct sellers and qualified real estate agents are by law considered nonemployees. They are instead treated as self-employed for all Federal tax purposes, including income and employment taxes. See Pub. 15–A for details.

Treating employees as nonemployees.— You will be liable for social security and Medicare taxes and withheld income tax if you don't deduct and withhold them because you treat an employee as a nonemployee. See Internal Revenue Code section 3509 for details.

Relief provisions.— If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker. To get this relief, you must file all required information returns (Form 1099-MISC) on a basis consistent with your treatment of the worker. You (or your predecessor) must not have treated any worker holding a substantially similar position as an employee for any periods beginning after 1977.

IRS help.— If you want the IRS to determine whether a worker is an employee, file **Form SS–8**, Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

3. Family Employees

Child employed by parents.— Payments for the services of a child under the age of 18 who works for his or her parent in a trade or business (sole proprietorship or a partnership in which each partner is a parent of the child) are not subject to social security and Medicare taxes. If these services are for work other than in a trade or business, such as domestic work in the parent's private home, they are not subject to social security and Medicare taxes until the child reaches 21. However, see **Covered services of a child or spouse** below.

Payments for the services of a child under the age of 21 who works for his or her parent whether or not in a trade or business are not subject to Federal unemployment taxes.

The above rules apply even if the child is paid regular wages. The wages for these services are not subject to social security, Medicare, and Federal unemployment taxes. But they may still be subject to income tax withholding.

One spouse employed by another.— The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and social security and Medicare taxes, but not to Federal unemployment taxes. However, the services of one spouse employed by another in other than a trade or business, such as domestic service in a private

home, are not subject to social security, Medicare, and Federal unemployment taxes.

Covered services of a child or spouse.— The wages for the services of a child or spouse are subject to income tax withholding as well as social security, Medicare, and Federal unemployment taxes if he or she works for:

- 1) A corporation, even if it is controlled by the child's parent or the individual's spouse,
- 2) A partnership, even if the child's parent is a partner, unless each partner is a parent of the child,
- 3) A partnership, even if the individual's spouse is a partner, or
- 4) An estate, even if it is the estate of a deceased parent.

Parent employed by child.— The wages for the services of a parent employed by his or her child in a trade or business are subject to income tax withholding and social security and Medicare taxes. Social security and Medicare taxes do not apply to wages paid to a parent for services not in a trade or business, but they do apply to domestic services if:

- 1) The parent cares for a child who lives with a son or daughter and who is under 18, or requires adult supervision for at least 4 continuous weeks in a calendar quarter due to a mental or physical condition, and
- 2) The son or daughter is a widow or widower, divorced, or married to a person who, because of a physical or mental condition, cannot care for the child during such period.

Wages paid to a parent employed by his or her child are not subject to Federal unemployment (FUTA) tax, regardless of the type of services provided.

4. Employee's Social Security Number (SSN)

You must get each employee's name and SSN because you must enter them on Form W–2. (This requirement also applies to resident and nonresident alien employees.) You may ask your employee to show you his or her social security card. The employee is required to show the card if they have it available. If you do not provide the correct employee name and SSN on Form W–2, you may owe a penalty.

Any employee without a social security card can get one by completing **Form SS–5**, Application for a Social Security Card. You can get this form at Social Security Administration (SSA) offices or by calling 1–800–772–1213. If your employee applied for an SSN but does not have it when you must file Form W–2, enter “Applied

For" on the form. When the employee receives the SSN, file **Form W-2c**, Corrected Wage and Tax Statement, to show the employee's SSN.

Note: Record the name and number of each employee exactly as they are shown on the employee's social security card. If the employee's name is not correct as shown on the card (for example, because of marriage or divorce) the employee should request a new card from the SSA. Continue to use the old name until the employee shows you the new social security card with the new name.

If your employee was given a new social security card to show his or her correct name and number after an adjustment to his or her alien residence status, correct your records and show the new information on Form W-2. If you filed Form W-2 for the same employee in prior years under the old name and SSN, file Form W-2c to correct the name and number. Advise the employee to contact the local SSA office about 9 months after the Form W-2c is filed to ensure that the records were updated.

5. Wages and Other Compensation

Wages subject to Federal employment taxes include all pay you give an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions, and fringe benefits. It does not matter how you measure or make the payments. Also, compensation paid to a former employee for services performed while still employed are wages subject to employment taxes. See section 6 for a discussion of tips and section 7 for supplemental wages. Also see section 15 for exceptions to the general rules for wages. **Pub. 15-A**, Employer's Supplemental Tax Guide, provides additional information on wages and other compensation.

Employee business expense reimbursements.— A reimbursement or allowance arrangement is a system by which you substantiate and pay the advances, reimbursements, and charges for your employees' business expenses. How you report a reimbursement or allowance amount depends on whether it is an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

Accountable plan.— To be an accountable plan, your reimbursement or allowance arrangement must require your employees to meet all three of the following rules.

- 1) They must have paid or incurred deductible expenses while performing services as your employees.

- 2) They must adequately account to you for these expenses within a reasonable period of time.
- 3) They must return any amounts in excess of expenses within a reasonable period of time.

Amounts paid under an accountable plan are not wages and are not subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes.

If the expenses covered by this arrangement are not substantiated or amounts in excess of expenses are not returned within a reasonable period of time, the amount is treated as paid under a nonaccountable plan. This amount is subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes for the first payroll period following the end of the reasonable period.

A reasonable period of time depends on the facts and circumstances. Generally, it is considered reasonable if your employees receive the reimbursement within 30 days of the time they incur the expense, adequately account for the expenses within 60 days after the expenses were paid or incurred, and they return any amounts in excess of expenses within 120 days after the expense was paid or incurred. Also, it is considered reasonable if you give your employees a periodic statement (at least quarterly) that asks them to either return or adequately account for outstanding amounts and they do so within 120 days.

Nonaccountable plan.— Payments to your employee for travel and other necessary expenses of your business under a nonaccountable plan are wages and subject to income tax withholding and payment of social security, Medicare, and Federal unemployment tax. Your payments are treated as paid under a nonaccountable plan if:

- 1) Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation, or
- 2) You advance an amount to your employee for business expenses and your employee is not required to or does not return timely any amount he or she does not use for business expenses.

Per diem or other fixed allowance.— You may reimburse your employees by travel days, or miles, or some other fixed allowance. In these cases, your employee is considered to have accounted to you if the payments do not exceed rates established by the Federal Government. The 1996 standard mileage rate was 31 cents per mile for auto expenses. See **Pub. 553**, Highlights of 1996 Tax Changes, for the 1997 standard mileage rate. The government per diem rates for meals and lodging in the continental United States are listed in **Pub. 1542**, Per Diem Rates. Other than the amount of these expenses, your employees' business expenses (for example, the business purpose of the travel or the number of business miles driven) must be substantiated.

If the per diem or allowance paid exceeds the amounts specified, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes. Show the amount equal to the specified amount in box 13 of Form W-2, using code "L."

For more information, see chapter 16 in **Pub. 535**, Business Expenses.

Wages not paid in money.— If in the course of your trade or business you pay your employees in a medium that is neither cash nor a readily negotiable instrument, such as a check, you are said to pay them "in kind." Payments in kind may be in the form of goods, lodging, food, clothing, or services. Generally, the fair market value of such payments at the time they are provided is subject to income tax withholding and social security, Medicare, and Federal unemployment (FUTA) taxes.

However, noncash payments for household work, agricultural labor, and service not in the employer's trade or business are exempt from social security, Medicare, and FUTA taxes. Withhold income tax on these payments only if you and the employee agree to do so. However, noncash payments for agricultural labor, such as commodity wages, are treated as cash payments subject to employment taxes if the substance of the transaction is a cash payment.

Moving expenses.— Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) are not includible in an employee's income unless you have knowledge that the employee deducted the expenses in a prior year. Reimbursed and employer-paid nonqualified moving expenses are includible in income and are subject to employment taxes and income tax withholding. For more information on moving expenses for 1996, get **Pub. 521**, Moving Expenses.

Meals and lodging.— The value of meals is not taxable income and is not subject to income tax withholding and social security, Medicare, and FUTA taxes if the meals are furnished for the employer's convenience and on the employer's premises. The value of lodging is not subject to income tax withholding and social security, Medicare, and FUTA taxes if the lodging is furnished for the employer's convenience, on the employer's premises, and as a condition of employment.

"For the convenience of the employer" means that you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals you provide at the place of work so an employee is available for emergencies during his or her lunch period are generally considered to be for your convenience.

However, whether meals or lodging are provided for the convenience of the employer depends on all the

facts and circumstances. A written statement that the meals or lodging are for your convenience is not sufficient.

For more information, see chapter 3 in Pub. 535.

Health insurance plans.— If you pay the cost of an accident or health insurance plan for your employees, your payments are not wages and are not subject to social security, Medicare, and Federal unemployment taxes, or income tax withholding.

Medical care reimbursements.— Medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and Federal unemployment taxes, or income tax withholding.

Fringe benefits.— Unless the law says otherwise, you must include fringe benefits in an employee's gross income. The benefits are subject to income tax withholding and employment taxes. Fringe benefits include cars you provide, flights on aircraft you provide, free or discounted commercial flights, vacations, discounts on property or services, memberships in country clubs or other social clubs, and tickets to entertainment or sporting events. In general, the amount you must include is the amount by which the fair market value of the benefits is more than the sum of what the employee paid for it plus any amount the law excludes. There are other special rules you and your employees may use to value certain fringe benefits. See Pub. 535 for more information.

Nontaxable fringe benefits.— Some fringe benefits are not taxable if certain conditions are met. See chapter 4 of Pub. 535 for details. Examples are:

- 1) Services provided to your employees at no additional cost to you.
- 2) Qualified employee discounts.
- 3) Working condition fringes that are property or services the employee could deduct as a business expense if he or she had paid for it. Examples include a company car for business use and subscriptions to business magazines.
- 4) Minimal value fringes (including an occasional cab ride when an employee must work overtime, local transportation benefits provided because of unsafe conditions and unusual circumstances, and meals you provide at eating places you run for your employees if the meals are not furnished at below cost).
- 5) Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking).
- 6) Qualified moving expense reimbursement. See page 10 for details.

- 7) The use of on-premises athletic facilities if substantially all the use is by employees, their spouses, and their dependent children.
- 8) Qualified tuition reduction, which an educational organization provides its employees for education. For more information see **Pub. 520**, Scholarships and Fellowships.

However, do not exclude the following fringe benefits from the income of highly compensated employees unless the benefit is available to employees on a nondiscriminatory basis.

- No-additional-cost services (item 1).
- Qualified employee discounts (item 2).
- Meals provided at an employer operated eating facility (included in item 4).
- Reduced tuition for education (item 8).

For more information, including the definition of a highly compensated employee, see Pub. 535.

When fringe benefits are treated as paid.— You may choose to treat certain noncash fringe benefits as paid by the pay period, or by the quarter, or on any other basis you choose as long as you treat the benefits as paid at least as often as once a year. You do not have to make a formal choice of payment dates or notify the IRS of the dates you choose. You do not have to make this choice for all employees. You may change methods as often as you like, as long as you treat all benefits provided in a calendar year as paid by December 31 of the calendar year. See Pub. 535 for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

Valuation of fringe benefits.— Generally, you must determine the value of fringe benefits no later than January 31 of the next year. Prior to January 31, you may reasonably estimate the value of the fringe benefits for purposes of withholding and depositing on time.

Withholding on fringe benefits.— You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold Federal income tax on the value of the fringe benefits at the flat 28% supplemental wage rate.

You may choose not to withhold income tax on the value of an employee's personal use of a vehicle you provide. You must, however, withhold social security, Medicare, or railroad retirement taxes on the use of the vehicle. Get Pub. 15–A for more information on this election.

Depositing taxes on fringe benefits.— Once you choose payment dates for fringe benefits (discussed above), you must deposit taxes in the same deposit period you treat the fringe benefits as paid. To avoid a penalty, deposit the taxes following the general deposit rules for that deposit period.

If you determine by January 31 that you overestimated the value of a fringe benefit at the time you withheld and deposited for it, you may claim a refund for the overpayment or have it applied to your next employment tax return (see **Valuation of fringe benefits** above). If you underestimated the value and deposited too little, you may be subject to the failure to deposit penalty. See section 11 for information on deposit penalties.

If you deposited the required amount of taxes but withheld a lesser amount from the employee, you can recover from the employee the social security, Medicare, or income taxes you deposited on his or her behalf, and included in the employee's Form W–2. However, you must recover the income taxes before April 1 of the following year.

Sick pay.— In general, sick pay is any amount you pay, under a plan you take part in, to an employee because of sickness or injury. These amounts are sometimes paid by a third party, such as an insurance company or employees' trust. In either case, these payments are subject to social security, Medicare, or railroad retirement taxes, and Federal unemployment (FUTA) taxes. Sick pay becomes exempt from these taxes after the end of 6 calendar months after the calendar month the employee last worked for the employer. The payments are also subject to income tax. See Pub. 15–A for more information.

6. Tips

Tips your employee receives are generally subject to withholding. Your employee must report cash tips to you by the 10th of the month after the month the tips are received. The report should include tips you paid over to the employee for charge customers and tips the employee received directly from customers. No report is required for months when tips are less than \$20. Your employee reports the tips on **Form 4070**, Employee's Report of Tips to Employer, or on a similar statement. The statement must be signed by the employee and must show the following:

- The employee's name, address, and SSN.
- Your name and address.
- The month or period the report covers.
- The total tips.

Both Forms 4070 and **4070–A**, Employee's Daily Record of Tips, are included in **Pub. 1244**, Employee's Daily Record of Tips and Report to Employer.

You must collect income tax, employee social security tax, and employee Medicare tax on the employee's tips. You can collect these taxes from the employee's wages or from other funds he or she makes available. (See **Tips treated as supplemental wages** in section 7 for further information.) Stop collecting the employee social security tax when his or her wages and tips for tax

year 1997 reach \$65,400; collect the income and employee Medicare taxes for the whole year on all wages and tips.

You are responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You are responsible for the employer Medicare tax for the whole year on all wages and tips.

File Form 941 to report withholding on tips. If, by the 10th of the month after the month you received an employee's report on tips, you don't have enough employee funds available to deduct the employee tax, you no longer have to collect it. Show any uncollected social security and Medicare taxes on Form W-2, on lines 6b and 7 of Form 941, and as an adjustment on line 9, Form 941. (See the instructions for Forms W-2 and 941.)

If an employee reports to you in writing \$20 or more of tips in a month, they are subject to FUTA tax.

Allocated tips.— If you operate a large food or beverage establishment, you must report allocated tips under certain circumstances. However, do not withhold income, social security, or Medicare taxes on allocated tips.

A large food or beverage establishment is one that provides food or beverages for consumption on the premises, where tipping is customary, and where there are normally more than 10 employees on a typical business day during the preceding year.

The tips may be allocated by one of three methods—hours worked, gross receipts, or good faith agreement. For information about these allocation methods, including the requirement to file Forms 8027 on magnetic media if 250 or more forms are filed, see the separate **Instructions for Form 8027**.

7. Supplemental Wages

Supplemental wages are compensation paid in addition to the employee's regular wages. They include, but are not limited to, bonuses, commissions, overtime pay, accumulated sick leave, severance pay, awards, prizes, backpay and retroactive pay increases for current employees, and payments for nondeductible moving expenses. Other payments subject to the supplemental wage rules include taxable fringe benefits and expense allowances paid under a nonaccountable plan.

If you pay supplemental wages with regular wages but do not specify the amount of each, withhold income tax as if the total were a single payment for a regular payroll period.

If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the income tax withholding method depends partly on whether or not you withhold income tax from your employee's regular wages:

- If you **withhold** income tax from an employee's regular wages, you can use one of the following methods for the supplemental wages:
 - a) Withhold a flat 28% (no other percentage allowed).
 - b) Add the supplemental and regular wages for the most recent payroll period this year. Then figure the income tax withholding as if the total were a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
- If you **did not withhold** income tax from the employee's regular wages, use method **b**. (This would occur, for example, when the value of the employee's withholding allowances claimed on Form W-4 is more than the wages.)

Regardless of the method you use to withhold income tax on supplemental wages, they are subject to social security and Medicare taxes.

Tips treated as supplemental wages.— Withhold the income tax on tips from wages or from other funds the employee makes available. If an employee receives regular wages and reports tips, figure income tax as if the tips were supplemental wages. If you have not withheld income tax from the regular wages, add the tips to the regular wages. Then withhold income tax on the total. If you withheld income tax from the regular wages, you can withhold on the tips by method **a** or **b** above.

Vacation pay.— Vacation pay is subject to withholding as if it were a regular wage payment. When vacation pay is in addition to regular wages for the vacation period, treat it as a supplemental wage payment. If the vacation pay is for a time longer than your usual payroll period, spread it over the pay periods for which you pay it.

8. Payroll Period

The payroll period is a period of service for which you usually pay wages. When you have a regular payroll period, withhold income tax for that time period even if your employee does not work the full period.

When you don't have a payroll period, withhold the tax as if you paid wages on a daily or miscellaneous payroll period. Figure the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (e.g., commissions paid on completion of a sale), count back the number of days from the payment period to the latest of:

- 1) The last wage payment made during the same calendar year,

- 2) The date employment began, if during the same calendar year, or
- 3) January 1 of the same year.

When you pay an employee for a period of less than 1 week, and the employee signs a statement under penalties of perjury that he or she is not working for any other employer during the same week for wages subject to withholding, figure withholding based on a weekly payroll period. If the employee later begins to work for another employer for wages subject to withholding, the employee must notify you within 10 days. You then figure withholding based on the daily or miscellaneous period.

9. Withholding From Employees' Wages

Income Tax Withholding

To know how much income tax to withhold from employees' wages, you should have a **Form W-4**, Employee's Withholding Allowance Certificate, on file for each employee. Ask all new employees to give you a signed Form W-4 when they start work. Make the form effective with the first wage payment. If a new employee does not give you a completed Form W-4, withhold tax as if he or she is single, with no withholding allowances.

A Form W-4 remains in effect until the employee gives you a new one. If an employee gives you a Form W-4 that replaces an existing Form W-4, begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date you received the replacement Form W-4. For exceptions, see **Exemption from income tax withholding, Sending certain Forms W-4 to the IRS, and Invalid Forms W-4** below.

The amount of income tax withholding must be based on filing status and withholding allowances. Your employees may not base their withholding amounts on a fixed dollar amount or percentage. However, the employee may specify a dollar amount to be withheld **in addition** to the amount of withholding based on filing status and withholding allowances claimed on Form W-4.

Employees may claim **fewer** withholding allowances than they are entitled to claim. They may wish to claim fewer allowances to ensure that they have enough withholding or to offset other sources of taxable income that are not subject to adequate withholding.

Note: A Form W-4 that makes a change for the next calendar year will not take effect in the current calendar year.

Get **Pub. 505**, Tax Withholding and Estimated Tax, for detailed instructions for completing Form W-4. Along with Form W-4, you may wish to order Pub. 505 and **Pub. 919**, Is My Withholding Correct for 1997?

When you receive a new Form W-4, do not adjust withholding for pay periods before the effective date of the new form; that is, do not adjust withholding retroactively. Also, do not accept any withholding or estimated tax payments from your employees in addition to withholding based on their Form W-4. If they require additional withholding, they should submit a new Form W-4 and, if necessary, pay estimated tax by filing **Form 1040-ES**, Estimated Tax for Individuals.

Exemption from income tax withholding.— An employee may claim exemption from income tax withholding because he or she had no income tax liability last year and expects none this year. However, the wages are still subject to social security and Medicare taxes.

An employee must submit a Form W-4 to you each year by February 15 to claim exemption from withholding. If the employee does not give you a new Form W-4, withhold tax as if the employee is single with zero withholding allowances.

Withholding on nonresident aliens.— In general, if you pay wages to nonresident aliens, you must withhold income tax (unless excepted by regulations), social security, and Medicare taxes as you would for a U.S. citizen. You must also give a Form W-2 to the nonresident alien and file it with the SSA. The wages are subject to FUTA tax as well. However, see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Corporations, and **Pub. 519**, U.S. Tax Guide for Aliens, for exceptions to these general rules.

Form W-4.— To avoid underwithholding of income taxes, you should require nonresident aliens when completing Form W-4 to:

- Not claim exemption from income tax withholding.
- Request withholding as if they are single, regardless of their actual marital status.
- Claim only one allowance.
- Request an additional income tax withholding amount of \$4.00 per week.

Note: If the nonresident alien is a resident of Canada, Mexico, Japan, or Korea, he or she may claim more than one allowance.

Nonwage withholding.— In some cases, a Code section or a U.S. treaty provision will exempt payments to a nonresident alien from wages. These payments are not subject to regular income tax withholding. Form W-2 is not required in these cases. Instead, the payments are subject to withholding at a flat 30% or lower treaty rate, unless exempt from tax because of a Code or U.S. tax treaty provision.

Report these payments and any withheld tax on **Form 1042-S**, Foreign Person's U.S. Source Income Subject to Withholding. Form 1042-S is sent to the IRS with **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. You may have to

make deposits of the withheld income tax, using **Form 8109**, Federal Tax Deposit Coupon. See Pub. 515 and the **Instructions for Form 1042-S** for more information.

Sending certain Forms W-4 to the IRS.— You must send the IRS copies of certain Forms W-4 received during the quarter from employees still employed by you at the end of the quarter. Send copies when the employee (1) claims more than 10 withholding allowances or (2) claims exemption from withholding and his or her wages would normally be more than \$200 per week. You are not required to send any other Forms W-4 unless the IRS notifies you in writing to do so.

Send in Forms W-4 that meet either of the above conditions each quarter with Form 941. Complete boxes 8 and 10 on any Forms W-4 you send in. You may use box 9 to identify the office responsible for processing the employee's payroll information. Also send copies of any written statements from employees in support of the claims made on Forms W-4. Send these statements even if the Forms W-4 are not in effect at the end of the quarter. You can send them to your IRS service center more often if you like. If you do so, include a cover letter giving your name, address, EIN, and the number of forms included. In certain cases, the IRS may notify you in writing that you must submit specified Forms W-4 more frequently to your district director separate from your Form 941.

If your Forms 941 are filed on magnetic media, this Form W-4 information also should be filed with the IRS on magnetic media. (See **Filing Form W-4 on magnetic media** below.) If you file Form 941 electronically or by TeleFile, send your paper Forms W-4 to your IRS service center with a cover letter. Magnetic media filers of Form 941 also may send paper Forms W-4 to their service center if they are unable to file them on magnetic media.

Base withholding on the Forms W-4 that you send in unless the IRS notifies you in writing to do otherwise. If the IRS notifies you about a particular employee, base withholding on the number of withholding allowances shown in the IRS notice. The employee will get a similar notice directly from the IRS. If the employee later gives you a new Form W-4, follow it only if (1) exempt status is not claimed or (2) the number of withholding allowances is equal to or fewer than the number in the IRS notice. Otherwise, disregard it and do not submit it to the IRS. Continue to follow the IRS notice.

If the employee prepares a new Form W-4 explaining any difference with the IRS notice, he or she may either submit it to the IRS or to you. If submitted to you, send the Form W-4 and explanation to the IRS office shown in the notice. Continue to withhold based on the notice until the IRS tells you to follow the new Form W-4.

Filing Form W-4 on magnetic media.— Form W-4 information may be filed with the IRS on magnetic media. If you wish to file on magnetic media, you must submit **Form 4419**, Application for Filing Information Returns

Magnetically/Electronically, to request authorization. See **Pub. 1245**, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate on Magnetic Tape, and 5 1/4- and 3 1/2-inch Magnetic Diskettes. To get more information about magnetic media filing, call the IRS Martinsburg Computing Center at 304-263-8700.

Invalid Forms W-4.— Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies that the form is correct. A Form W-4 is also invalid if, by the date an employee gives it to you, he or she indicates in any way that it is false.

When you get an invalid Form W-4, do not use it to figure withholding. Tell the employee it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee were single and claiming no withholding allowances. However, if you have an earlier Form W-4 for this worker that is valid, withhold as you did before.

Amounts exempt from levy on wages, salary, and other income.— If you receive a Notice of Levy on Wages, Salary, and Other Income (Forms 668W or 668W(c)), you must withhold amounts as described in the instructions for these forms. **Pub. 1494**, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Forms 668W and 668W(c)), shows the exempt amount.

Social Security and Medicare Taxes

The Federal Insurance Contributions Act (FICA) provides for a Federal system of old-age, survivors, disability, and hospital insurance. The old-age, survivors, and disability insurance part is financed by the social security tax. The hospital insurance part is financed by the Medicare tax. Each of these taxes is reported separately.

Social security and Medicare taxes are levied on both you and your employees (unless you or your employees are not subject to these taxes; see section 15). You, as an employer, must withhold and deposit the employee's part of the taxes and you must pay a matching amount. Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age, or whether he or she is receiving social security benefits. (If the employee reported tips, see section 6.)

Tax rates and the social security wage base.— These taxes have different tax rates and only social security tax has a wage base. The wage base is the maximum wage that is subject to the tax for the year. Determine the amount of withholding for social security and Medicare taxes by multiplying each payment by the employee tax rate. There are no withholding allowances for social security and Medicare taxes.

The employee tax rate for social security is 6.2% (amount withheld). The employer tax rate for social security is also 6.2% (12.4% total). The 1996 wage base was \$62,700. For 1997, the wage base is \$65,400.

The employee tax rate for Medicare is 1.45% (amount withheld). The employer tax rate for Medicare tax is also 1.45% (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

Successor employer.— If you received all or most of the property used in the trade or business of another employer, or a unit of that employer's trade or business, you may include the wages the other employer paid to your employees when you figure the annual wage limit for social security. See Regulations section 31.3121(a)(1)-1(b) for more information. Also see Rev. Proc. 84-77, C. B. 1984-2, 753, for the procedures used in filing returns in a predecessor-successor situation.

Example: Early in 1996, you bought all the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. You and Mr. Brown are subject to social security taxes on the first \$60,700 (\$62,700 less \$2,000) and Medicare taxes on all wages you pay him during the rest of the calendar year.

International Social Security Agreements.— The United States has social security agreements with many countries which eliminate dual taxation and coverage under both countries' systems. Compensation subject to social security and Medicare taxes may be exempt under one of these agreements. See **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information and a list of agreement countries.

Part-Time Workers

For income tax withholding and social security, Medicare, and Federal unemployment tax purposes, there are no differences between full-time employees, part-time employees, and employees hired for short periods. It does not matter whether the worker has another job or has the maximum amount of social security tax withheld by another employer. Income tax withholding may be figured the same way as for full-time workers. Or it may be figured by the part-year employment method, explained in Pub. 15-A.

10. Advance Earned Income Credit (EIC) Payment

An employee who is eligible for the earned income credit (EIC) and has a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must give you a properly completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5.

Certain employees who do not have a qualifying child may be able to claim the EIC on their tax return. However, they **cannot** get advance EIC payments.

For 1997, the advance payment can be as much as \$1,326. The tables that begin on page 56 reflect that limit.

Form W-5.— Form W-5 states the eligibility requirements for receiving advance EIC payments. On Form W-5, an employee states that he or she expects to be eligible for the EIC and shows whether he or she has a certificate in effect with any other current employer. The employee also shows the following:

- Whether he or she has a qualifying child.
- Whether he or she is married.
- If the employee is married, whether his or her spouse has a certificate in effect with any employer.

An employee may have only one certificate in effect with a current employer at one time. If an employee is married and his or her spouse also works, each spouse should file a separate Form W-5.

Length of effective period.— Make the initial Form W-5 certificate effective for the first payroll period ending on or after the date the employee gives you the form (or the first wage payment made without regard to a payroll period). It remains in effect until the end of the calendar year unless the employee revokes the certificate or files another one. Eligible employees must file a new certificate each year.

Change of status.— If an employee gives you a signed Form W-5 and later becomes ineligible for advance EIC payments, he or she must revoke the certificate within 10 days after learning about the change of circumstances. The employee must give you a new Form W-5 stating that he or she is no longer eligible for or no longer wants advance EIC payments.

If an employee's situation changes because his or her spouse files a Form W-5, the employee must file a new Form W-5 showing that his or her spouse has a certificate in effect with an employer. This will reduce the maximum amount of advance payments you can make to that employee.

If an employee's spouse has filed a Form W-5 that is no longer in effect, the employee may file a new Form W-5 with you, but is not required to do so. A new form will certify that the spouse does not have a certificate in effect and will increase the maximum amount of advance payments you can make to that employee.

Invalid certificate.— The Form W-5 is invalid if it is incomplete, unsigned, or has an alteration or unauthorized addition. The form has been altered if any of the language has been deleted. Any writing added to the form other than the requested entries is an unauthorized addition.

You should consider a certificate invalid if an employee has made an oral or written statement that clearly shows the Form W-5 to be false. If you receive an invalid certificate, tell the employee that the certificate is

invalid as of the date he or she made the oral or written statement. For advance EIC payment purposes, the invalid certificate is considered void.

You are not required to determine if a completed and signed Form W-5 is correct. However, you should contact the IRS district director if you have reason to believe the certificate has any incorrect statement.

How to figure the advance EIC payment.— To figure the amount of the advance EIC payment to include with the employee's pay, you must consider:

- Wages, including reported tips, for the pay period.
- Whether the employee is married or single.
- Whether a married employee's spouse has a Form W-5 in effect with an employer.

Note: *If during the year you have paid an employee total wages of at least \$25,760, you must stop making advance EIC payments to that employee for the rest of the year.*

Figure the amount of advance EIC to include in the employee's pay by using the tables that begin on page 56. There are separate tables for employees whose spouses have a certificate in effect. See page 33 for instructions on using the advance EIC payment tables. The amount of advance EIC paid to an employee during 1997 cannot exceed \$1,326.

Paying the advance EIC to employees.— An advance EIC payment is not wages and is not subject to withholding of income, social security, or Medicare taxes. An advance EIC payment does not change the amount of income, social security, or Medicare taxes you withhold from the employee's wages. You add the EIC payment to the employee's net pay for the pay period. At the end of the year, you show the total advance EIC payments in the box for "Advance EIC payment" on Form W-2. Do not include this amount in the "Wages..." box.

Employer's returns.— Show the total payments you made to employees on the advance EIC lines of your Form 941 or 943, whichever applies. Subtract this amount from your total taxes (see the specific instructions for each form). Reduce the amounts reported on the record of Federal tax liability (e.g., line 17 of Form 941) by any advance EIC paid to employees.

Generally, employers will make the advance EIC payment from withheld income tax and employee and employer social security and Medicare taxes. These taxes are normally required to be paid over to the IRS either through Federal tax deposits or with employment tax returns. For purposes of deposit due dates, advance EIC payments are considered deposited on the day you pay wages (including the advance EIC payment) to your employees. The advance EIC payment reduces, in this order, the amount of income tax withholding, withheld employee social security and Medicare taxes, and the employer's share of social security and Medicare taxes.

Example: You have 10 employees, each entitled to an advance EIC payment of \$10. The total advance payments you make for the payroll period are \$100. The total income tax withholding for the payroll period is \$90. The total employee and employer social security and Medicare taxes for the payroll period is \$122.60 (\$61.30 each).

You are considered to have made a deposit of \$100 advance EIC payment on the day you paid wages, and you subtract this amount from your employment taxes for the payroll period. The \$100 is treated as if you paid the IRS the \$90 total income tax withholding and \$10 of the employee social security and Medicare taxes. You remain liable only for \$112.60 of the social security and Medicare taxes (\$51.30 + \$61.30 = \$112.60).

Advance EIC payments more than taxes due.— If for any payroll period the total advance EIC payments are more than the total payroll taxes (withheld income tax and both employee and employer shares of social security and Medicare taxes), you may choose either to:

- 1) Reduce each employee's advance payment proportionally so that the total advance EIC payments equal the amount of taxes due, or
- 2) Elect to make full payment of the advance EIC and treat the excess as an advance payment of employment taxes.

Example: You have 10 employees who are each entitled to an advance EIC payment of \$10. The total amount of advance EIC payable for the payroll period is \$100. The total employment tax for the payroll period is \$90 (including income tax withholding and social security and Medicare taxes). The advance EIC payable is \$10 more than the total employment tax. The \$10 excess is 10% of the advance EIC payable (\$100). You may—

- 1) Reduce each employee's payment by 10% so the advance EIC payments equal your total employment tax (\$90), or
- 2) Pay each employee \$10, and treat the excess \$10 as an advance payment of employment taxes. Attach a statement to your employment tax return showing the excess advance EIC payments and the payroll period to which the excess applies.

U.S. territories.— If you are in American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or the U.S. Virgin Islands, consult your local tax office for information on the EIC. You cannot take advance EIC payments into account on Form 941-SS.

Required Notice to Employees

You must notify employees who have no income tax withheld that they may be able to claim a tax refund because of the EIC. Although you do not have to notify employees who claim exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate,

about the EIC, you are encouraged to notify any employees whose wages for 1996 were less than \$28,495 that they may be eligible to claim the credit for 1996. This is because eligible employees may get a refund of the amount of EIC that is more than the tax they owe. For example, an employee who had no tax withheld in 1996 and owes no tax, but is eligible for a \$790 EIC, can file a 1996 tax return to get a \$790 refund.

You will meet this notification requirement if you issue the IRS Form W-2 with the EIC notice on the back of the employee's copy (Copy C), or a substitute Form W-2 with the same statement. You may also meet the requirement by providing **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording.

If a substitute Form W-2 is given on time but doesn't have the required statement, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but isn't given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 1997.

11. Depositing Taxes

In general, you must deposit income tax withheld and both the employer and employee social security and Medicare taxes (minus any advance EIC payments) by mailing or delivering a check, money order, or cash to an authorized financial institution or Federal Reserve bank. However, some taxpayers are required to deposit by electronic funds transfer. The requirement to deposit electronically is being phased in over a period of years and an increasing number of taxpayers will be required to use this method each year. See page 2 for information on electronic deposit requirements for 1997.

Payments with returns.— You may make payments with Form 941 instead of depositing if:

- Your net tax liability for the return period (line 13 on Form 941) is less than \$500, or
- You are making a payment in accordance with the **Accuracy of Deposits Rule** discussed on page 22. This amount may be \$500 or more. **Caution:** *Only monthly schedule depositors (see below) are allowed to make this underpayment with the return.*

Separate deposit requirements for nonpayroll (Form 945) tax liabilities.— Separate deposits are required for nonpayroll income tax withholding. **Do not** combine deposits for Form 941 and Form 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below. See the separate **Instructions for Form 945** for more information.

Federal tax deposit (FTD) coupon.— If you are not making deposits by electronic funds transfer (see page 2), use **Form 8109**, Federal Tax Deposit Coupon, to make the deposits at an authorized financial institution or Federal Reserve Bank. **Do not** use the deposit coupons to pay delinquent taxes assessed by the IRS. Send those payments directly to your Internal Revenue Service Center with a copy of any related notice the IRS sent you.

For new employers, the IRS will send you an FTD coupon book 5 to 6 weeks after you receive an employer identification number (EIN). (Apply for an EIN on Form SS-4.) The IRS will keep track of the number of FTD coupons you use and **automatically** will send you additional coupons when you need them. If you do not receive your resupply of FTD coupons, call 1-800-829-1040. You can have the FTD coupon books sent to a branch office, tax preparer, or service bureau that is making your deposits by showing that address on **Form 8109C**, FTD Address Change, which is in the FTD coupon book. (Filing Form 8109C will not change your address of record; it will change only the address where the FTD coupons are mailed.) The FTD coupons will be preprinted with your name, address, and EIN. They have entry boxes for indicating the type of tax and the tax period for which the deposit is made.

It is very important to clearly mark the correct type of tax and tax period on each FTD coupon. This information is used by the IRS to credit your account.

If you have branch offices depositing taxes, give them FTD coupons and complete instructions so they can deposit the taxes when due.

Please use only your FTD coupons. If you use anyone else's FTD coupon, you may be subject to the failure to deposit penalty. This is because your account will be underpaid by the amount of the deposit credited to the other person's account. See **Penalties** below for details.

How to make deposits.— Mail or deliver each FTD coupon and a single payment covering the taxes to be deposited to an authorized depository or to the Federal Reserve bank or branch (FRB) serving your area. An authorized depository is a financial institution (e.g., a commercial bank) that is authorized to accept Federal tax deposits. Follow the instructions in the FTD coupon book. Make the check or money order payable to the depository or FRB where you make your deposit. To help ensure proper crediting of your account, include your EIN, the type of tax (e.g., Form 941), and tax period to which the payment applies on your check or money order.

Deposits at depositories.— Authorized depositories must accept cash, a postal money order drawn to the order of the depository, or a check or draft drawn on and to the order of the depository. You can deposit taxes with a check drawn on another financial institution only if the depository is willing to accept that form of payment.

Note: Be sure that the financial institution where you make deposits is an authorized depository. Deposits made at an unauthorized institution may be subject to the failure to deposit penalty.

Deposits at FRBs.— If you want to make a deposit at an FRB, make the deposit with the FRB serving your area. Deposits may be subject to the failure to deposit penalty if the payment is not considered an immediate credit item on the day it is received by the FRB. A personal check, including one drawn on a business account, is not an immediate credit item. To avoid a penalty, deposits made by personal checks drawn on other financial institutions must be made in advance of the deposit due date to allow time for check clearance. To be considered timely, the funds must be available to the FRB on the deposit due date before the FRB's daily cutoff deadline. Contact your local FRB to obtain information concerning check clearance and cutoff schedules.

Depositing on time.— The IRS determines if deposits are on time by the date they are received by an authorized depository or FRB. However, a deposit received by the authorized depository or FRB after the due date will be considered timely if the taxpayer establishes that it was mailed in the United States at least 2 days before the due date.

Note: If you are required to deposit any taxes more than once a month, any deposit of \$20,000 or more must be made by its due date to be timely.

Depositing without an EIN.— If you have applied for an EIN but **have not** received it, and you must make a deposit, make the deposit with your Internal Revenue Service Center. **Do not** make the deposit at an authorized depository or FRB. Make it payable to the Internal Revenue Service and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. Send an explanation with the deposit. **Do not** use **Form 8109-B**, Federal Tax Deposit Coupon, in this situation.

Depositing without Form 8109.— If you do not have the preprinted Form 8109, you may use Form 8109-B to make deposits. Form 8109-B is an over-the-counter FTD coupon that is not preprinted with your identifying information. You may get this form by calling 1-800-829-1040. Be sure to have your EIN ready when you call. You will not be able to obtain this form by calling 1-800-TAX-FORM.

Use Form 8109-B to make deposits only if—

- You are a new employer and you have been assigned an EIN, but you have not received your initial supply of Forms 8109, or
- You have not received your resupply of preprinted Forms 8109.

Deposit record.— For your records, a stub is provided with each FTD coupon in the coupon book. The FTD coupon itself will not be returned. It is used to credit your account. Your check, bank receipt, or money order is your receipt.

How to claim credit for overpayments.— If you deposited more than the right amount of taxes for a quarter, you can choose on Form 941 for that quarter to have the overpayment refunded or applied as a credit to your next return. Do not ask the depository or FRB to request a refund from the IRS for you.

Penalties.— Penalties may apply if you do not make required deposits on time. The penalties do not apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. For amounts not properly or timely deposited, the penalty rates are:

- 2% - Deposits made 1 to 5 days late.
- 5% - Deposits made 6 to 15 days late.
- 10% - Deposits made 16 or more days late. Also applies to amounts paid to the IRS within 10 days of the date of the first notice the IRS sent asking for the tax due.
- 10% - Deposits made at an unauthorized financial institution, paid directly to the IRS, or paid with your tax return (but see **Depositing without an EIN** and **Payments with returns** earlier for exceptions).
- 10% - Amounts subject to electronic deposit requirements but not deposited using the Electronic Federal Tax Payment System (EFTPS).
- 15% - Amounts still unpaid more than 10 days after the date of the first notice the IRS sent asking for the tax due or the day on which you receive notice and demand for immediate payment, whichever is earlier.

Order in which deposits are applied.— Tax deposits are applied first to satisfy any past due underdeposits for the quarter, with the oldest underdeposit satisfied first.

Example: Cedar Inc. is required to make a deposit of \$1,000 on April 15 and \$1,500 on May 15. It does not make the deposit on April 15. On May 15, Cedar Inc. deposits \$1,700 assuming that it has paid its May deposit in full and applied \$200 to the late April deposit. However, because deposits are applied first to past due underdeposits in due date order, \$1,000 of the May 15 deposit is applied to the late April deposit. The remaining \$700 is applied to the May 15 deposit. Therefore, in addition to an underdeposit of \$1,000 for April 15, Cedar Inc. has an underdeposit for May 15 of \$800. Penalties will be applied to both underdeposits as explained above.

Trust fund recovery penalty.— If income, social security, and Medicare taxes that must be withheld are not

Table 2. Semiweekly Deposit Schedule

Payment Days/ Deposit Periods	Deposit By:
Wednesday, Thursday, and/or Friday	Following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Following Friday

If a quarterly return period ends on a day other than Tuesday or Friday, taxes accumulated on the days covered by the return period just ending are subject to one deposit obligation, and taxes accumulated on the days covered by the new return period are subject to a separate deposit obligation. For example, if one quarterly return period ends on Thursday and a new quarter begins on Friday, taxes accumulated on Wednesday and Thursday are subject to one deposit obligation and taxes accumulated on Friday are subject to a separate obligation. Separate deposits are required because two different quarters are affected.

Example of Monthly and Semiweekly Schedules

Rose Co. reported Form 941 taxes as follows:

1996 Lookback Period				1997 Lookback Period			
3rd Quarter	1994	–	\$12,000	3rd Quarter	1995	–	\$12,000
4th Quarter	1994	–	\$12,000	4th Quarter	1995	–	\$12,000
1st Quarter	1995	–	\$12,000	1st Quarter	1996	–	\$12,000
2nd Quarter	1995	–	<u>\$12,000</u>	2nd Quarter	1996	–	<u>\$15,000</u>
			\$48,000				\$51,000

Rose Co. is a monthly schedule depositor for 1996 because its tax liability for the four quarters in its lookback period (third quarter 1994 through second quarter 1995) was not more than \$50,000. However, for 1997, Rose Co. must follow the semiweekly deposit schedule because the total taxes exceeded \$50,000 for the four quarters in its lookback period (third quarter 1995 through second quarter 1996).

Deposits on Banking Days Only

If a deposit is required to be made on a day that is not a banking day, the deposit is considered timely if it is made by the close of the next banking day. In addition to Federal and state bank holidays, Saturdays and Sundays are treated as nonbanking days. For example, if a deposit is required to be made on a Friday and Friday is not a banking day, the deposit will be considered timely if it is made by the following Monday (if that Monday is a banking day).

Semiweekly schedule depositors have at least 3 banking days to make a deposit. That is, if any of the 3

weekdays after the end of a semiweekly period is a banking holiday, you will have one additional banking day to deposit. For example, if a semiweekly schedule depositor accumulated taxes for payments made on Friday and the following Monday is not a banking day, the deposit normally due on Wednesday may be made on Thursday (allowing 3 banking days to make the deposit).

Application of Monthly and Semiweekly Schedules

The terms “monthly schedule depositor” and “semi-weekly schedule depositor” do **not** refer to how often your business pays its employees or even how often you are required to make deposits. The terms identify which set of deposit rules you must follow when an employment tax liability arises. The deposit rules are based on the dates wages are paid; **not** on when tax liabilities are accrued.

Monthly schedule example: Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each Friday during January but did not pay any wages during February. Under the monthly schedule, Spruce Co. must deposit the combined tax liabilities for the January paydays by February 18 (February 15 is a Saturday and February 17 is a holiday). Spruce Co. does not have a deposit requirement for February (due by March 17) because no wages were paid and, therefore, it did not have a tax liability for the month.

Semiweekly schedule example: Green Inc., which has a semiweekly deposit schedule, pays wages once each month on the last day of the month. Although Green Inc. has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green Inc.’s tax liability for the January 31, 1997 (Friday) payday must be deposited by February 5, 1997 (Wednesday). Under the semiweekly deposit schedule, liabilities for wages paid on Wednesday through Friday must be deposited by the following Wednesday.

\$500 Rule

If you accumulate less than a \$500 tax liability during a return period (e.g., during a quarter for Form 941), no deposits are required and you may pay the tax with the return for the period. However, if you are unsure that you will accumulate less than \$500, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties.

\$100,000 One-Day Rule

If you accumulate a tax liability of \$100,000 or more on any day during a deposit period, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor. For monthly schedule depositors, the deposit period is a calendar month.

The deposit periods for a semiweekly schedule depositor are Wednesday through Friday and Saturday through Tuesday.

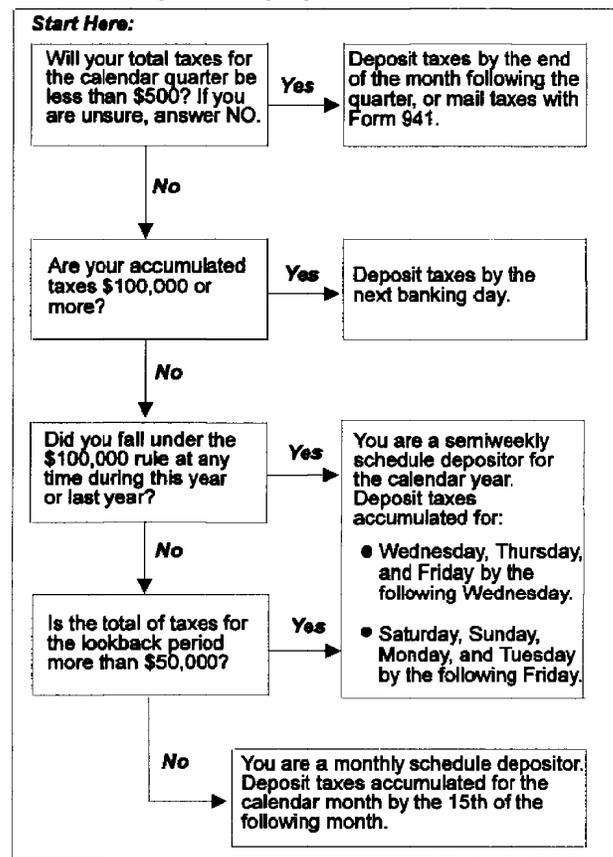
For purposes of the \$100,000 rule, do not continue accumulating tax liability after the end of a deposit period. For example, if a semiweekly schedule depositor has accumulated a liability of \$95,000 on a Tuesday (of a Saturday-through-Tuesday deposit period) and accumulated a \$10,000 liability on Wednesday, the \$100,000 one-day rule does not apply. Thus, \$95,000 must be deposited by Friday and \$10,000 must be deposited by the following Wednesday.

In addition, once you accumulate at least \$100,000 in a deposit period, stop accumulating at the end of that day and begin to accumulate anew on the next day. For example, Fir Co. is a semiweekly schedule depositor. On Monday, Fir Co. accumulates taxes of \$110,000 and must deposit this amount on Tuesday, the next banking day. On Tuesday, Fir Co. accumulates additional taxes of \$30,000. Because the \$30,000 is not added to the previous \$110,000 and is less than \$100,000, Fir Co. must deposit the \$30,000 by Friday following the semiweekly deposit schedule.

If you are a monthly schedule depositor and accumulate a \$100,000 tax liability on any day during a month, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year.

Example: Elm Inc. started its business on February 1, 1997. On February 12, it paid wages for the first time and accumulated a tax liability of \$40,000. On February 19, Elm Inc. paid wages and accumulated a liability of \$60,000, bringing its accumulated tax liability to \$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm Inc. accumulated a \$100,000 liability on February 19, it became a semiweekly schedule depositor on February 20. It will be a semiweekly schedule depositor for the remainder of 1997 and for 1998. Elm Inc. is required to deposit the \$100,000 by February 20 (Thursday), the next banking day.

When To Deposit Employment Taxes



Adjustments and the Lookback Rule

Determine your tax liability for the four quarters in the lookback period based on the tax liability as **originally** reported on Form 941. If you made adjustments to correct errors on previously filed employment tax returns, these adjustments do not affect the amount of tax liability for purposes of the lookback rule. If you report adjustments on your current employment tax return to correct errors on prior period returns, include these adjustments as part of your tax liability for the current quarter. If you filed Form 843 to claim a refund for a prior period overpayment, your tax liability does not change for either the prior period or the current period for purposes of the lookback rule.

Example: An employer originally reported a tax liability of \$45,000 for the four quarters in the lookback period ending June 30, 1996. The employer discovered during January 1997 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 1997 first quarter return. This employer is a monthly schedule depositor for 1997 since the lookback period tax liabilities are based on the amounts originally reported and they were less than \$50,000. The \$10,000 adjustment is part of the 1997 first quarter tax liability.

Accuracy of Deposits Rule

You are required to deposit 100% of your tax liability on or before the deposit due date. However, penalties will not be applied for depositing less than 100% if **both** of the following conditions are met:

- 1) Any deposit shortfall does not exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited, and
- 2) The deposit shortfall is paid or deposited by the shortfall makeup date as described below.
 - **Monthly Schedule Depositor.** Deposit or pay the shortfall with your return by the due date of the Form 941 for the period in which the shortfall occurred. You may pay the shortfall with Form 941 even if the amount is \$500 or more.
 - **Semiweekly Schedule Depositor.** Deposit by the earlier of the first Wednesday or Friday that falls on or after the 15th of the month following the month in which the shortfall occurred, or, if earlier, the due date of Form 941. For example, if a semiweekly schedule depositor has a deposit shortfall during February 1997, the shortfall makeup date is March 19, 1997 (Wednesday). However, if the shortfall occurred on the required April 2 deposit date for a March 28, 1997, pay date, the return due date for the March 28 tax liability (April 30) would come before the May 16 (Friday) shortfall makeup date. In this case, the shortfall would have to be deposited by April 30.

12. Filing Form 941

Each quarter, all employers who pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes must file **Form 941**, Employer's Quarterly Federal Tax Return. However, the following exceptions apply:

- 1) **Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.** To alert the IRS that you will not have to file a return for one or more quarters during the year, mark the Seasonal employer box above line 1 on Form 941. The IRS will mail two Forms 941 to the seasonal filer once a year after March 1. The preprinted label will not include the date the quarter ended. You must enter the date the quarter ended when you file the return. The IRS will generally not inquire about unfiled returns if at least one taxable return is filed each year. However, you must mark

the Seasonal employer box on every quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.

- 2) **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you are a sole proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941. Otherwise, for wages paid after 1994, report social security and Medicare taxes and income tax withholding for household employees on **Schedule H (Form 1040)**, Household Employment Taxes. See **Pub. 926**, Household Employer's Tax Guide, for more information.
- 3) **Employers reporting wages for employees in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or Puerto Rico.** If the employees are not subject to U.S. income tax withholding, use Form 941-SS. Employers in Puerto Rico use Form 941-PR.
- 4) **Agricultural employers reporting social security and Medicare taxes and withheld income tax.** Report these on **Form 943**, Employer's Annual Tax Return for Agricultural Employees.

Magnetic tape filing of Form 941.— Reporting agents filing Forms 941 for groups of taxpayers can file them on magnetic tape. See the reporting agent discussion in section 8 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

Penalties.— For each whole or part month a return is not filed when required (disregarding any extensions of the filing deadline), there is a penalty of 5% of the unpaid tax due with that return. The maximum penalty is 25%. Also, for each whole or part month the tax is paid late (disregarding any extensions of the payment deadline), a penalty of 0.5% of the amount of tax generally applies. The maximum for this penalty is also 25%. The penalties will not be charged if there is an acceptable reason for failing to file or pay.

Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that tax returns are filed and all taxes are paid or deposited correctly and on time.

Do not file more than one Form 941 per quarter.— Employers with multiple locations or divisions must file only one Form 941 per quarter. Filing more than one return may result in processing delays and may require correspondence between you and the IRS.

Hints on filing.— Do not report more than one calendar quarter on a return.

Use the preaddressed form mailed to you. If you don't have the form, get one from any IRS office in time to file the return when due. If you use a form that is not preaddressed, please show your name and EIN on it.

Be sure they are exactly as they appeared on earlier returns. See the Instructions for Form 941 for suggestions for preparing the form.

Final return.— If you go out of business, you must file a final return for the last quarter in which wages are paid. If you continue to pay wages or other compensation for quarters following termination of your business, you must file returns for those quarters. See the Form 941 instructions for details on how to file a final return.

Note: *If you are required to file a final Form 941, you are also required to furnish Form W-2 to your employees by the due date of the final Form 941. File Forms W-2 and W-3 with the SSA by the last day of the month following the due date of your final Form 941. See the Instructions for Form W-2 for more information.*

Filing late Forms 941 for prior years.— If you are filing an original return for a quarter in a prior year and you are using the current year form, you will have to modify Form 941.

Caution: *The instructions on the form may be inappropriate for the year for which you are reporting taxes because of changes in the law, regulations, or procedures. Contact the IRS if you have any questions. The revision date (found under the form number at the top of the form) will tell you the year for which the form was developed.*

Note: *A form for a particular year can generally be used without modification for any quarter within that year. For example, a form with any 1997 revision date (e.g., January or October 1997) can generally be used without modification for any quarter of 1997.*

In all cases, however, be sure to correctly fill out the "Date quarter ended" section at the top of the form. If you are modifying a form with preprinted information, change the date (the date is shown with the month and year the quarter ends; for example, JUN97 would be for the quarter ending June 30, 1997). Cross out any inapplicable tax rate(s) shown on the form and write in the rate from the chart below. You can get tax rates and wage bases for years not shown in the table from the IRS.

Table 3. Social Security and Medicare Tax Rates (For 3 prior years.)

Calendar Year	Wage Base (each employee)	Tax Rate on Taxable Wages and Tips
1996—Social Security	\$62,700	12.4%
1996—Medicare	All Wages	2.9
1995—Social Security	61,200	12.4
1995—Medicare	All Wages	2.9
1994—Social Security	60,600	12.4
1994—Medicare	All Wages	2.9

Reconciling Forms W-2, W-3, and 941.— When there are discrepancies between Forms 941 filed with the IRS and Forms W-2 and W-3 filed with the SSA, we must contact you to resolve the discrepancies. This costs time and money, both for the Government and for you the employer.

To help reduce discrepancies—

- 1) Report bonuses as wages and as social security and Medicare wages on Forms W-2 and 941.
- 2) Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941.
- 3) Report social security taxes on Form W-2 in the box for social security tax withheld, not as social security wages.
- 4) Report Medicare taxes on Form W-2 in the box for Medicare tax withheld, not as Medicare wages.
- 5) Make sure social security wage amounts for each employee do not exceed the annual social security wage base.
- 6) Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages.
- 7) If you used an EIN on any quarterly Form 941 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for "Other EIN used this year."

To reduce the discrepancies between amounts reported on Forms W-2, W-3, and 941—

- 1) Be sure the amounts on Form W-3 are the total amounts from Forms W-2.
- 2) Reconcile Form W-3 with your four quarterly Forms 941 by comparing amounts reported for—
 - Income tax withholding.
 - Social security wages, social security tips, and Medicare wages and tips. Form W-3 should include Form 941 adjustments only for the current

year (i.e., if the Form 941 adjustments include amounts for a prior year, do not report those prior year adjustments on the current-year Forms W-2 and W-3).

- Social security and Medicare taxes. The amounts shown on the four quarterly Forms 941, including current-year adjustments, should be approximately twice the amounts shown on Form W-3. This is because Form 941 includes both the employer and employee shares of social security and Medicare taxes.
- Advance earned income credit.

Do not report on Form 941 backup withholding or income tax withholding on nonpayroll payments such as pensions, annuities, and gambling winnings. Nonpayroll withholding must be reported on Form 945 (see the separate **Instructions for Form 945** for details). Income tax withholding required to be reported on Forms 1099 or W-2G must be reported on Form 945. Only taxes and withholding properly reported on Form W-2 should be reported on Form 941.

Amounts reported on Forms W-2, W-3, and 941 may not match for valid reasons. If they do not match, you should determine that the reasons are valid. Keep your reconciliation so you will have a record of why amounts did not match in case there are inquiries from the IRS or the SSA.

13. Reporting Adjustments on Form 941

There are two types of adjustments: current period adjustments and adjustments to correct errors on prior period returns. See the instructions for Forms 941 and 941c for more information on how to report these adjustments.

Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes on lines 6a, 6b, and 7 of Form 941 must be adjusted to arrive at your correct tax liability (e.g., excluding amounts withheld by a third-party payer or amounts you were not required to withhold). Current period adjustments are reported on line 9 of Form 941 and include the following:

Adjustment of tax on tips.— If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on lines 6b (social security tips) and 7 (Medicare wages and tips). Include as an adjustment on line 9 the total uncollected employee share of the social security and Medicare taxes.

Adjustment of group-term life insurance premiums paid for former employees.— The employee share of social security and Medicare taxes on group-term life insurance over \$50,000 for a former employee is paid by the former employee with his or her tax return and is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 6a and 7 (social security and Medicare taxes), and back out the amount of the employee share of these taxes as an adjustment on line 9. See **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information on group-term life insurance.

Note: Also enter the amount of the above adjustments in the "Other" adjustment entry space and provide a brief supporting statement explaining the nature and amount of the adjustments (see the example below). Do not use Form 941c as the supporting statement for current period adjustments.

Adjustment of tax on third-party sick pay.— Report both the employer and employee shares of social security and Medicare taxes for sick pay on lines 6a and 7 of Form 941. Deduct on line 9 the social security and Medicare taxes on third-party sick pay for which you are not responsible. Also enter the sick pay adjustment in the "Sick Pay" adjustment entry space. No additional statement for this adjustment is required. See section 7 of Pub. 15-A for more information.

Fractions of cents adjustment.— If there is a difference between the total tax on line 8 and the total deducted from your employees' wages or tips plus the employer's contribution, and this difference is caused by adding or dropping fractions of cents in collecting the tax, report the difference on line 9. Also enter the amount of this adjustment in the entry space for "Fractions of Cents." No additional statement for this adjustment is required.

Example of reporting current period adjustments: Cedar Inc. was entitled to the following current period adjustments:

- **Third-party sick pay:** It included taxes of \$2,000 for sick pay on lines 6a and 7 for social security and Medicare taxes. However, the third-party payer of the sick pay withheld and paid to the IRS the employee share (\$1,000) of these taxes. Cedar Inc. is entitled to a \$1,000 sick pay adjustment (negative).
- **Fractions of cents:** Cedar Inc. determined that the amounts calculated and deposited for social security and Medicare taxes during the quarter were a net \$10 more than the amount figured on lines 6a and 7 (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring employment taxes for each wage payment. It must report a \$10 fractions-of-cents adjustment (positive).
- **Life insurance premiums:** Cedar Inc. paid group-term life insurance premiums for policies in excess

Current Period Adjustment Example

7	Taxable Medicare wages and tips	\$		× 2.9% (.029) =	7		
8	Total social security and Medicare taxes (add lines 6a, 6b, and 7). Check here if wages are not subject to social security and/or Medicare tax <input type="checkbox"/>				8		
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ (1000.00) ± Fractions of Cents \$ 10.00 ± Other \$ (200.00) =				9	(1190	00)
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)				10		
11	Total taxes (add lines 5 and 10)				11		

of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar Inc. must include the employee share of these taxes with the social security and Medicare taxes reported on lines 6a and 7 of Form 941. It is entitled to a \$200 adjustment (negative).

Cedar Inc. reported these adjustments on line 9 of Form 941 as shown in the **Current Period Adjustment Example** above. A brief supporting statement was filed with Form 941 explaining the life insurance adjustment, including the amount of the adjustment.

Prior Period Adjustments

Generally, you can correct errors on prior period Forms 941 by making an adjustment on the Form 941 for the quarter during which the error was discovered. For example, if you made an error in reporting social security tax on your second quarter 1996 Form 941 and discovered the error during January 1997, correct the error by making an adjustment on your first quarter 1997 Form 941.

The adjustment increases or decreases your tax liability for the quarter in which it is reported (the quarter the error is discovered) and is interest free. The net adjustments reported on Form 941 may include any number of corrections for one or more previous quarters, including both overpayments and underpayments.

You are required to provide background information and certifications supporting prior period adjustments. File with Form 941 a **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows:

- What the error was.
- Quarter in which the error was made.
- The amount of the error for each quarter.
- Date on which you found the error.
- That you repaid the employee tax or received from each affected employee a written consent to this refund or credit, if the entry corrects an overcollection.

- If the entry corrects social security and Medicare taxes overcollected in an earlier year, that you received from the employee a written statement that he or she will not claim a refund or credit for the amount.

Do not file Form 941c or the equivalent supporting statement separately. The IRS will not be able to process your adjustments without this supporting information. See the instructions for Form 941c for more information.

Income tax withholding adjustments.— Correct prior period income tax withholding errors by making an adjustment on line 4 of Form 941 for the quarter during which you discovered the error.

***Note:** You may make an adjustment to correct income tax withholding errors only for quarters during the same calendar year. This is because the employee uses the amount shown on Form W-2 as a credit when filing the income tax return (Form 1040, etc.).*

You cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an **administrative error**. An administrative error occurs if the amount you entered on Form 941 is not the amount you actually withheld. For example, if the total income tax actually withheld was incorrectly reported on Form 941 due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects the amount reported on Form 941 to agree with the amount actually withheld from employees.

Social security and Medicare tax adjustments.— Correct prior period social security and Medicare tax errors by making an adjustment on line 9 of Form 941 for the quarter during which you discovered the error. You may report adjustments on Form 941 for previous quarters in the current and prior years.

Prior Period Adjustment Example

- **All filers:** If line 13 is less than \$500, you need not complete line 17 or Schedule B.
- **Semiweekly depositors:** Complete Schedule B and check here
- **Monthly depositors:** Complete line 17, columns (a) through (d) and check here

17 Monthly Summary of Federal Tax Liability.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
- 0 -	4 000 . 00	4 500 . 00	8 500 . 00

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶

Print Your Name and Title ▶

Date ▶

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Cat. No. 17001Z

Form **941** (Rev. 1-97)

Reporting prior period adjustments on the record of Federal tax liability.— Adjustments to correct errors in prior periods must be taken into account on either Form 941, Line 17, Monthly Summary of Federal Tax Liability, or on **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability.

If the adjustment corrects an **underreported liability** in a prior quarter, report the adjustment on the entry space corresponding to the date the error was discovered. If the adjustment corrects an **overreported liability**, use the adjustment amount as a credit to offset subsequent liabilities until it is used up.

Example of reporting prior period adjustments:

Elm Co., a monthly schedule depositor, discovered on January 10, 1997, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 1997 were: January—\$4,500, February—\$4,500, and March—\$4,500. Elm Co. completed line 17 of Form 941 as shown in the **Prior Period Adjustment Example** above.

The adjustment for the \$5,000 overreported liability offset the January liability, so the \$4,500 liability was not deposited and a -0-liability was reported on line 17, column (a). The remaining \$500 of the \$5,000 adjustment credit was used to partially offset the liabilities for February, so only \$4,000 of the \$4,500 liability was deposited and reported on line 17, column (b).

Note: Do not make any changes to the record of Federal tax liability for current period adjustments. The amounts reported on the record reflect the **actual** amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on lines 6a, 6b, and 7 of Form 941 equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of Federal tax liability are necessary for these adjustments.

Filing a claim for overreported prior period liabilities.— If you discover an error on a prior quarter return resulting in a tax overpayment, you may file **Form 843**,

Claim for Refund and Request for Abatement, for a refund. This form also can be used to request an abatement of an overassessment of employment taxes, interest, and/or penalties. You must file Form 941c, or an equivalent statement, with Form 843. See the separate **Instructions for Form 843**.

Collecting underwithheld taxes from employees.—

If you withheld no income, social security, or Medicare taxes or less than the right amount from an employee's wages, you can make it up from later pay to that employee. But you are the one who owes the underpayment to the IRS. Reimbursement is up to you and the employee. Underwithheld income tax must be recovered from the employee *on or before the last day of the calendar year*. There are special rules for tax on tips (see section 6) and fringe benefits (see section 5).

Refunding amounts incorrectly withheld from employees.—

If you withheld more than the right amount of income, social security, or Medicare taxes from wages paid, give the employee the excess. Any excess income tax withholding must be reimbursed to the employee prior to the end of the calendar year. Keep in your records the employee's written receipt showing the date and amount of the repayment. If you don't have a receipt, you must report and pay each excess amount when you file the return for the quarter in which you withheld too much tax.

Correcting filed Form W-2 and W-3 statements.—

When adjustments are made to correct social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also may need to file **Form W-2c**, Corrected Wage and Tax Statement, and **Form W-3c**, Transmittal of Corrected Wage and Tax Statements.

Wage Repayments

If employees repay you for wages received in error, do not offset the repayments against current-year wages

unless the repayments are for amounts received in error in the current year.

Repayment of current year wages.— If you receive repayments for wages paid during a prior quarter in the current year, report adjustments on Form 941 to recover income tax withholding and social security and Medicare taxes for the repaid wages (as discussed above). Report the adjustments on Form 941 for the quarter during which the repayment occurred.

Repayment of prior year wages.— If you receive repayments for wages paid during a prior year, report an adjustment on the Form 941 for the quarter during which the repayment was made to recover the social security and Medicare taxes. Instead of making an adjustment on Form 941, you may file a claim for these taxes using Form 843. You may not make an adjustment for income tax withholding because the wages were paid during a prior year.

You also must file Form W-2c with the SSA to correct social security and Medicare wages and tax. Do **not** correct wages (line 1) on Form W-2c for the amount paid in error. Give a copy of Form W-2c to the employee.

Note: *The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or credit in some cases) for the repaid wages on his or her income tax return for the year of repayment.*

14. Filing Form 940 or 940-EZ

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a Federal and a state unemployment tax. Only the employer pays FUTA tax; it is not deducted from the employee's wages. For more information, see the **Instructions for Form 940**.

Reporting FUTA tax.— Use **Form 940** or **940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report this tax. The IRS will mail a preaddressed Form 940 or 940-EZ to you if you filed a return the year before. If you do not receive Form 940 or 940-EZ, you can get the form by calling 1-800-TAX-FORM (1-800-829-3676).

Form 940-EZ requirements.— You may be able to use Form 940-EZ if (1) you paid unemployment taxes ("contributions") to only one state, (2) you paid these taxes by the due date of Form 940 or 940-EZ, and (3) all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax. Otherwise, use Form 940. For example, if you paid wages to corporate officers (these wages are subject to FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940-EZ.

15. Special Rules for Various Types of Services and Payments

(Section references are to the Internal Revenue Code unless otherwise noted.)

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Aliens, nonresident.	See page 13 and Pub. 515 , Withholding of Tax on Nonresident Aliens and Foreign Corporations, and Pub. 519 , U.S. Tax Guide for Aliens.		
Aliens, resident: 1. Service performed in the U.S. 2. Service performed outside U.S.	Same as U.S. citizen. Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.) Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Same as U.S. citizen. Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S. or alien is employed on such vessel or aircraft when it touches U.S. port.
Cafeteria plan benefits under section 125.	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit were provided outside the plan. (See Pub.15–A for more information.)		
Deceased worker: 1. Wages paid to beneficiary or estate in same calendar year as worker's death. (See Instructions for Form W–2 for details.) 2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt Exempt	Taxable Exempt	Taxable Exempt
Dependent care assistance programs (limited to \$5,000; \$2,500 if married filing separately).	Exempt to the extent it is reasonable to believe that amounts are excludable from gross income under section 129.		
Disabled worker's wages paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker did not perform any service for employer during period for which payment is made.	Taxable
Employee business expense reimbursement: a. Accountable plan. 1. Amounts not exceeding specified government rate for per diem or standard mileage. 2. Amounts in excess of specified government rate for per diem or standard mileage. b. Nonaccountable plan. (See page 8 for details.)	Exempt Withhold Withhold	Exempt Taxable Taxable	Exempt Taxable Taxable
Fishing and related activities.	See Pub. 595 , Tax Guide for Commercial Fishermen.		
Foreign governments and international organizations.	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Foreign service by U.S. citizens: 1. As U.S. government employee. 2. For foreign affiliates of American employers and other private employers.	Withhold Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911 or (2) the employer is required by law of the foreign country to withhold income tax on such payment.	Same as within U.S. Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates or (2) U.S. citizen works for American employer.	Exempt Exempt unless (1) on American vessel or aircraft and work is performed under contract made in U.S. or worker is employed on vessel when it touches U.S. port or (2) U.S. citizen works for American employer (except in a contiguous country with which the U.S. has an agreement for unemployment compensation) or in the U.S. Virgin Islands.
Homeworkers (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. (See page 7 for details.)	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Hospital employees: 1. Interns. 2. Patients.	Withhold Withhold	Taxable Taxable (Exempt for state or local government hospitals.)	Exempt Exempt
Household employees: 1. Domestic service in private homes. (Farmers see Circular A.) 2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree). Exempt (withhold if both employer and employee agree).	Taxable if paid \$1,000 or more in cash in 1997. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not the principal occupation of the employee. Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid total cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year. Taxable if employer paid total cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year.
Insurance for employees: 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. (See Pub. 15-A for more information.)	Exempt (except 2% shareholder-employees of S corporations). Exempt	Exempt Exempt, except for the cost of group-term life insurance that is includible in the employee's gross income. (Special rules apply for former employees.)	Exempt Exempt
Insurance agents or solicitors: 1. Full-time life insurance salesperson. 2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. (See page 6.) Withhold only if employee under common law.	Taxable Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions. Taxable if (1) employee under common law and (2) not paid solely by commissions.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Interest on loans with below-market interest rates (foregone interest and deemed original issue discount). (See Pub. 15–A for more information.)	Exempt (but deemed payments of compensation-related loans must be shown on Form W–2).	Exempt, unless loans are compensation related.	Exempt, unless loans are compensation related.
Leave-sharing plans: Amounts paid to an employee pursuant to a leave-sharing plan.	Withhold	Taxable	Taxable
Newspaper carriers and vendors: Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Pub 15-A for information on statutory nonemployee status.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
Noncash payments: 1. For household work, agricultural labor, and service not in the course of the employer's trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree). Optional with employer.	Exempt Taxable	Exempt Taxable
Nonprofit organizations.	See Pub. 15–A.		
Partners: Payments to members of general partnership.	Exempt	Exempt	Exempt
Railroads, etc.: Payments subject to the Railroad Retirement Act	Withhold	Exempt	Exempt
Religious exemptions.	See Pub. 15–A.		
Retirement and pension plans: 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (e.g., 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Distributions from qualified retirement and pension plans and section 403(b) annuities. (See Pub. 15–A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.)	Exempt Generally exempt, but see section 402(g) for limitation. Generally exempt, but see section 402(g) for salary reduction SEP limitation. Generally exempt, but see section 402(g) for limitation. Withhold, but recipient may elect exemption on Form W–4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. (See Pub. 15–A.)	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Exempt	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Exempt
Salespersons: 1. Common law employees. 2. Statutory employees. 3. Statutory nonemployees (qualified real estate agents and direct sellers). (See page 7 for details.)	Withhold Exempt Exempt	Taxable Taxable Exempt	Taxable Taxable Exempt
Scholarships and fellowship grants: (includible in income under section 117(c)).	Withhold	Taxability depends on the nature of the employment and the status of the organization. See Students on page 31.	

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Severance or dismissal pay.	Withhold	Taxable	Taxable
Service not in the course of the employer's trade or business , other than on a farm operated for profit or for household employment in private homes.	Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.	Taxable if employee receives \$100 or more in a calendar year.	Taxable only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.
Sick pay. (See Pub. 15-A for more information.)	Withhold.	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.
State governments and political subdivisions, employees of: 1. Fees of public official. 2. Salaries and wages.	Exempt Withhold	Taxable if certain transportation services or if covered by a section 218 (Social Security Act) agreement. Taxable (1) for services performed by employees who are not members of retirement systems of employers and (2) (for Medicare tax only) for employees not otherwise covered by a section 218 agreement and hired after 3/31/86.	Exempt Exempt
Students, scholars, trainees, teachers, etc.: 1. Student enrolled and regularly attending classes, performing services for: a. Private school, college, or university. b. Auxiliary nonprofit organization operated for and controlled by school, college, or university. c. Public school, college, or university. 2. Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program. 3. Student nurse performing part-time services for nominal earnings at hospital as incidental part of training. 4. Student employed by organized camps. 5. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (i.e., aliens holding F-1, J-1, M-1, or Q-1 visas).	Withhold Withhold Withhold Withhold Withhold unless excepted by regulations.	Exempt Exempt unless services are covered by a section 218 (Social Security Act) agreement. Exempt unless services are covered by a section 218 (Social Security Act) agreement. Taxable Exempt Taxable Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act.	Exempt Exempt Exempt Exempt unless program was established for or on behalf of an employer or group of employers. Exempt Exempt
Supplemental unemployment compensation plan benefits.	Withhold	Exempt	Exempt
Tips: 1. If \$20 or more in a month. 2. If less than \$20 in a month. (See section 6 for more information.)	Withhold Exempt	Taxable Exempt	Taxable for all tips reported in writing to employer. Exempt
Worker's compensation.	Exempt	Exempt	Exempt

16. How To Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables

Income Tax Withholding

There are several ways to figure income tax withholding. The following methods of withholding are based on information you get from your employees on **Form W-4**, Employee's Withholding Allowance Certificate. See section 9 for more information on Form W-4.

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 36 through 55) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of wages, find the amount of tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

Note: If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances in Table 5 before using the percentage method tables (pages 34-35).

Adjusting wage bracket withholding for employees claiming more than 10 withholding allowances.—

The wage bracket tables can be used if an employee claims up to 10 allowances. More than 10 allowances may be claimed because of the special withholding allowance, additional allowances for deductions and credits, and the system itself.

To adapt the tables to more than 10 allowances:

- 1) Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. (The allowance values are in Table 5, **Percentage Method—1997 Amount for One Withholding Allowance** below.)
- 2) Subtract the result from the employee's wages.
- 3) On this amount, find and withhold the tax in the column for 10 allowances.

This is a voluntary method. If you use the wage bracket tables, you may continue to withhold the amount in the "10" column when your employee has more than 10 allowances, using the method above. You can also use any other method described below.

Percentage Method

If you do not want to use the wage bracket tables on pages 36-55 to figure how much income tax to withhold, you can use a percentage computation based on the table below and the appropriate rate table. This method works for any number of withholding allowances the employee claims and any amount of wages.

Use these steps to figure the income tax to withhold under the percentage method:

- 1) Multiply one withholding allowance (see table below) by the number of allowances the employee claims.
- 2) Subtract that amount from the employee's wages.
- 3) Determine the amount to withhold from the appropriate table on pages 34 and 35.

Table 5. Percentage Method—Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 50.96
Biweekly	101.92
Semimonthly	110.42
Monthly.....	220.83
Quarterly	662.50
Semiannually	1,325.00
Annually	2,650.00
Daily or miscellaneous (each day of the payroll period)	10.19

Example: An unmarried employee is paid \$450 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax to withhold as follows:

1. Total wage payment \$450.00
2. One allowance..... \$50.96
3. Allowances claimed on Form W-4 2
4. Multiply line 2 by line 3..... \$101.92
5. Amount subject to withholding (subtract line 4 from line 1) \$348.08
6. Tax to be withheld on \$348.08 from Table 1—single person, page 34 \$ 44.56

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar.

Annual income tax withholding.— Figure the income tax to withhold on annual wages under the Percentage

Method for an annual payroll period. Then prorate the tax back to the payroll period.

Example: A married person claims four withholding allowances. She is paid \$1,000 a week. Multiply the weekly wages by 52 weeks to figure the annual wage of \$52,000. Subtract \$10,600 (the value of four withholding allowances for a year) for a balance of \$41,400. Using the table for the annual payroll period, \$5,242.50 is withheld. Divide the annual tax by 52. The weekly tax is \$100.82.

Alternative Methods of Income Tax Withholding

Rather than the Percentage or Wage Bracket Methods described above, you can use an alternative method to withhold income tax. **Pub. 15–A**, Employer’s Supplemental Tax Guide, describes these alternative methods and contains:

- 1) Formula tables for percentage method withholding (for automated payroll systems).
- 2) Wage bracket percentage method tables (for automated payroll systems).
- 3) Combined income, social security, and Medicare tax withholding tables.

Some alternative methods explained in Pub. 15–A are annualized wages, average estimated wages, cumulative wages, and part-year employment.

Advance Payment Methods for the Earned Income Credit (EIC)

To figure the advance EIC payment, you may use either the Wage Bracket Method or the Percentage Method explained below. You may use other methods for figuring advance EIC payments if the amount of the payment is about the same as it would be using tables in this booklet. See the tolerances allowed in the chart in section 10 of Pub. 15–A. See section 10 in this booklet for an explanation of the advance payment of the EIC.

The number of withholding allowances an employee claims on Form W–4 is not used in figuring the advance EIC payment. Nor does it matter that the employee has claimed exemption from income tax withholding on Form W–4.

Wage Bracket Method

If you use the wage bracket tables on pages 58 through 61, figure the advance EIC payment as follows.

Find the employee’s gross wages before any deductions using the appropriate table. There are different tables for (a) single or married employees without spouse filing a certificate and (b) married employees with both spouses filing certificates. Determine the amount of the advance EIC payment shown in the appropriate table for the amount of wages paid.

Percentage Method

If you do not want to use the wage bracket tables to figure how much to include in an employee’s wages for the advance EIC payment, you can use the percentage method based on the appropriate rate table on pages 56 and 57.

Find the employee’s gross wages before any deductions in the appropriate table on pages 56 and 57. There are different tables for (a) single or married employees without spouse filing a certificate and (b) married employees with both spouses filing certificates. Find the advance EIC payment shown in the appropriate table for the amount of wages paid.

Whole-Dollar Withholding and Paying Advance EIC (Rounding)

The income tax withholding amounts in the wage bracket tables (pages 36 through 55) have been rounded to whole-dollar amounts.

When employers use the percentage method (pages 34 and 35) or an alternative method of income tax withholding, the tax for the pay period may be rounded to the nearest dollar.

The wage bracket tables for advance EIC payments (pages 58 through 61) have also been rounded to whole-dollar amounts. If you use the percentage method for advance EIC payments (pages 56 and 57), the payments may be rounded to the nearest dollar.

If rounding is used, it must be used consistently. Withheld tax amounts should be rounded to the nearest whole dollar by (1) dropping amounts under 50 cents and (2) increasing amounts from 50 to 99 cents to the next higher dollar.

Tables for Percentage Method of Withholding (For Wages Paid in 1997)

TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$51		\$0		Not over \$124		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$51	—\$503	15%	—\$51	\$124	—\$874	15%	—\$124
\$503	—\$1,067	\$67.80 plus 28%	—\$503	\$874	—\$1,786	\$112.50 plus 28%	—\$874
\$1,067	—\$2,426	\$225.72 plus 31%	—\$1,067	\$1,786	—\$3,000	\$367.86 plus 31%	—\$1,786
\$2,426	—\$5,241	\$647.01 plus 36%	—\$2,426	\$3,000	—\$5,294	\$744.20 plus 36%	—\$3,000
\$5,241	. . . . .	\$1,660.41 plus 39.6%	—\$5,241	\$5,294	. . . . .	\$1,570.04 plus 39.6%	—\$5,294

TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$102		\$0		Not over \$248		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$102	—\$1,006	15%	—\$102	\$248	—\$1,748	15%	—\$248
\$1,006	—\$2,135	\$135.60 plus 28%	—\$1,006	\$1,748	—\$3,571	\$225.00 plus 28%	—\$1,748
\$2,135	—\$4,852	\$451.72 plus 31%	—\$2,135	\$3,571	—\$6,000	\$735.44 plus 31%	—\$3,571
\$4,852	—\$10,483	\$1,293.99 plus 36%	—\$4,852	\$6,000	—\$10,588	\$1,488.43 plus 36%	—\$6,000
\$10,483	. . . . .	\$3,321.15 plus 39.6%	—\$10,483	\$10,588	. . . . .	\$3,140.11 plus 39.6%	—\$10,588

TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$110		\$0		Not over \$269		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$110	—\$1,090	15%	—\$110	\$269	—\$1,894	15%	—\$269
\$1,090	—\$2,313	\$147.00 plus 28%	—\$1,090	\$1,894	—\$3,869	\$243.75 plus 28%	—\$1,894
\$2,313	—\$5,256	\$489.44 plus 31%	—\$2,313	\$3,869	—\$6,500	\$796.75 plus 31%	—\$3,869
\$5,256	—\$11,356	\$1,401.77 plus 36%	—\$5,256	\$6,500	—\$11,471	\$1,612.36 plus 36%	—\$6,500
\$11,356	. . . . .	\$3,597.77 plus 39.6%	—\$11,356	\$11,471	. . . . .	\$3,401.92 plus 39.6%	—\$11,471

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$221		\$0		Not over \$538		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$221	—\$2,179	15%	—\$221	\$538	—\$3,788	15%	—\$538
\$2,179	—\$4,625	\$293.70 plus 28%	—\$2,179	\$3,788	—\$7,738	\$487.50 plus 28%	—\$3,788
\$4,625	—\$10,513	\$978.58 plus 31%	—\$4,625	\$7,738	—\$13,000	\$1,593.50 plus 31%	—\$7,738
\$10,513	—\$22,713	\$2,803.86 plus 36%	—\$10,513	\$13,000	—\$22,942	\$3,224.72 plus 36%	—\$13,000
\$22,713	. . . . .	\$7,195.86 plus 39.6%	—\$22,713	\$22,942	. . . . .	\$6,803.84 plus 39.6%	—\$22,942

Tables for Percentage Method of Withholding (Continued)
(For Wages Paid in 1997)

TABLE 5—QUARTERLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$663		\$0		Not over \$1,613		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$663	—\$6,538	15%	—\$663	\$1,613	—\$11,363	15%	—\$1,613
\$6,538	—\$13,875	\$881.25 plus 28%	—\$6,538	\$11,363	—\$23,213	\$1,462.50 plus 28%	—\$11,363
\$13,875	—\$31,538	\$2,935.61 plus 31%	—\$13,875	\$23,213	—\$39,000	\$4,780.50 plus 31%	—\$23,213
\$31,538	—\$68,138	\$8,411.14 plus 36%	—\$31,538	\$39,000	—\$68,825	\$9,674.47 plus 36%	—\$39,000
\$68,138	. . . . .	\$21,587.14 plus 39.6%	—\$68,138	\$68,825	. . . . .	\$20,411.47 plus 39.6%	—\$68,825

TABLE 6—SEMIANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$1,325		\$0		Not over \$3,225		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$1,325	—\$13,075	15%	—\$1,325	\$3,225	—\$22,725	15%	—\$3,225
\$13,075	—\$27,750	\$1,762.50 plus 28%	—\$13,075	\$22,725	—\$46,425	\$2,925.00 plus 28%	—\$22,725
\$27,750	—\$63,075	\$5,871.50 plus 31%	—\$27,750	\$46,425	—\$78,000	\$9,561.00 plus 31%	—\$46,425
\$63,075	—\$136,275	\$16,822.25 plus 36%	—\$63,075	\$78,000	—\$137,650	\$19,349.25 plus 36%	—\$78,000
\$136,275	. . . . .	\$43,174.25 plus 39.6%	—\$136,275	\$137,650	. . . . .	\$40,823.25 plus 39.6%	—\$137,650

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,650		\$0		Not over \$6,450		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$2,650	—\$26,150	15%	—\$2,650	\$6,450	—\$45,450	15%	—\$6,450
\$26,150	—\$55,500	\$3,525.00 plus 28%	—\$26,150	\$45,450	—\$92,850	\$5,850.00 plus 28%	—\$45,450
\$55,500	—\$126,150	\$11,743.00 plus 31%	—\$55,500	\$92,850	—\$156,000	\$19,122.00 plus 31%	—\$92,850
\$126,150	—\$272,550	\$33,644.50 plus 36%	—\$126,150	\$156,000	—\$275,300	\$38,698.50 plus 36%	—\$156,000
\$272,550	. . . . .	\$86,348.50 plus 39.6%	—\$272,550	\$275,300	. . . . .	\$81,646.50 plus 39.6%	—\$275,300

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:		If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$10.20		\$0		Not over \$24.80		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$10.20	—\$100.60	15%	—\$10.20	\$24.80	—\$174.80	15%	—\$24.80
\$100.60	—\$213.50	\$13.56 plus 28%	—\$100.60	\$174.80	—\$357.10	\$22.50 plus 28%	—\$174.80
\$213.50	—\$485.20	\$45.17 plus 31%	—\$213.50	\$357.10	—\$600.00	\$73.54 plus 31%	—\$357.10
\$485.20	—\$1,048.30	\$129.40 plus 36%	—\$485.20	\$600.00	—\$1,058.80	\$148.84 plus 36%	—\$600.00
\$1,048.30	. . . . .	\$332.12 plus 39.6%	—\$1,048.30	\$1,058.80	. . . . .	\$314.01 plus 39.6%	—\$1,058.80

SINGLE Persons—WEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$55	0	0	0	0	0	0	0	0	0	0	0
55	60	1	0	0	0	0	0	0	0	0	0	0
60	65	2	0	0	0	0	0	0	0	0	0	0
65	70	2	0	0	0	0	0	0	0	0	0	0
70	75	3	0	0	0	0	0	0	0	0	0	0
75	80	4	0	0	0	0	0	0	0	0	0	0
80	85	5	0	0	0	0	0	0	0	0	0	0
85	90	5	0	0	0	0	0	0	0	0	0	0
90	95	6	0	0	0	0	0	0	0	0	0	0
95	100	7	0	0	0	0	0	0	0	0	0	0
100	105	8	0	0	0	0	0	0	0	0	0	0
105	110	8	1	0	0	0	0	0	0	0	0	0
110	115	9	2	0	0	0	0	0	0	0	0	0
115	120	10	2	0	0	0	0	0	0	0	0	0
120	125	11	3	0	0	0	0	0	0	0	0	0
125	130	11	4	0	0	0	0	0	0	0	0	0
130	135	12	5	0	0	0	0	0	0	0	0	0
135	140	13	5	0	0	0	0	0	0	0	0	0
140	145	14	6	0	0	0	0	0	0	0	0	0
145	150	14	7	0	0	0	0	0	0	0	0	0
150	155	15	8	0	0	0	0	0	0	0	0	0
155	160	16	8	1	0	0	0	0	0	0	0	0
160	165	17	9	1	0	0	0	0	0	0	0	0
165	170	17	10	2	0	0	0	0	0	0	0	0
170	175	18	11	3	0	0	0	0	0	0	0	0
175	180	19	11	4	0	0	0	0	0	0	0	0
180	185	20	12	4	0	0	0	0	0	0	0	0
185	190	20	13	5	0	0	0	0	0	0	0	0
190	195	21	14	6	0	0	0	0	0	0	0	0
195	200	22	14	7	0	0	0	0	0	0	0	0
200	210	23	15	8	0	0	0	0	0	0	0	0
210	220	25	17	9	2	0	0	0	0	0	0	0
220	230	26	18	11	3	0	0	0	0	0	0	0
230	240	28	20	12	5	0	0	0	0	0	0	0
240	250	29	21	14	6	0	0	0	0	0	0	0
250	260	31	23	15	8	0	0	0	0	0	0	0
260	270	32	24	17	9	2	0	0	0	0	0	0
270	280	34	26	18	11	3	0	0	0	0	0	0
280	290	35	27	20	12	5	0	0	0	0	0	0
290	300	37	29	21	14	6	0	0	0	0	0	0
300	310	38	30	23	15	8	0	0	0	0	0	0
310	320	40	32	24	17	9	1	0	0	0	0	0
320	330	41	33	26	18	11	3	0	0	0	0	0
330	340	43	35	27	20	12	4	0	0	0	0	0
340	350	44	36	29	21	14	6	0	0	0	0	0
350	360	46	38	30	23	15	7	0	0	0	0	0
360	370	47	39	32	24	17	9	1	0	0	0	0
370	380	49	41	33	26	18	10	3	0	0	0	0
380	390	50	42	35	27	20	12	4	0	0	0	0
390	400	52	44	36	29	21	13	6	0	0	0	0
400	410	53	45	38	30	23	15	7	0	0	0	0
410	420	55	47	39	32	24	16	9	1	0	0	0
420	430	56	48	41	33	26	18	10	3	0	0	0
430	440	58	50	42	35	27	19	12	4	0	0	0
440	450	59	51	44	36	29	21	13	6	0	0	0
450	460	61	53	45	38	30	22	15	7	0	0	0
460	470	62	54	47	39	32	24	16	9	1	0	0
470	480	64	56	48	41	33	25	18	10	2	0	0
480	490	65	57	50	42	35	27	19	12	4	0	0
490	500	67	59	51	44	36	28	21	13	5	0	0
500	510	68	60	53	45	38	30	22	15	7	0	0
510	520	71	62	54	47	39	31	24	16	8	1	0
520	530	74	63	56	48	41	33	25	18	10	2	0
530	540	77	65	57	50	42	34	27	19	11	4	0
540	550	80	66	59	51	44	36	28	21	13	5	0
550	560	82	68	60	53	45	37	30	22	14	7	0
560	570	85	71	62	54	47	39	31	24	16	8	1
570	580	88	74	63	56	48	40	33	25	17	10	2
580	590	91	77	65	57	50	42	34	27	19	11	4
590	600	94	79	66	59	51	43	36	28	20	13	5

SINGLE Persons—WEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$600	\$610	96	82	68	60	53	45	37	30	22	14	7
610	620	99	85	71	62	54	46	39	31	23	16	8
620	630	102	88	73	63	56	48	40	33	25	17	10
630	640	105	91	76	65	57	49	42	34	26	19	11
640	650	108	93	79	66	59	51	43	36	28	20	13
650	660	110	96	82	68	60	52	45	37	29	22	14
660	670	113	99	85	70	62	54	46	39	31	23	16
670	680	116	102	87	73	63	55	48	40	32	25	17
680	690	119	105	90	76	65	57	49	42	34	26	19
690	700	122	107	93	79	66	58	51	43	35	28	20
700	710	124	110	96	82	68	60	52	45	37	29	22
710	720	127	113	99	84	70	61	54	46	38	31	23
720	730	130	116	101	87	73	63	55	48	40	32	25
730	740	133	119	104	90	76	64	57	49	41	34	26
740	750	136	121	107	93	79	66	58	51	43	35	28
750	760	138	124	110	96	81	67	60	52	44	37	29
760	770	141	127	113	98	84	70	61	54	46	38	31
770	780	144	130	115	101	87	73	63	55	47	40	32
780	790	147	133	118	104	90	75	64	57	49	41	34
790	800	150	135	121	107	93	78	66	58	50	43	35
800	810	152	138	124	110	95	81	67	60	52	44	37
810	820	155	141	127	112	98	84	70	61	53	46	38
820	830	158	144	129	115	101	87	72	63	55	47	40
830	840	161	147	132	118	104	89	75	64	56	49	41
840	850	164	149	135	121	107	92	78	66	58	50	43
850	860	166	152	138	124	109	95	81	67	59	52	44
860	870	169	155	141	126	112	98	84	69	61	53	46
870	880	172	158	143	129	115	101	86	72	62	55	47
880	890	175	161	146	132	118	103	89	75	64	56	49
890	900	178	163	149	135	121	106	92	78	65	58	50
900	910	180	166	152	138	123	109	95	80	67	59	52
910	920	183	169	155	140	126	112	98	83	69	61	53
920	930	186	172	157	143	129	115	100	86	72	62	55
930	940	189	175	160	146	132	117	103	89	75	64	56
940	950	192	177	163	149	135	120	106	92	77	65	58
950	960	194	180	166	152	137	123	109	94	80	67	59
960	970	197	183	169	154	140	126	112	97	83	69	61
970	980	200	186	171	157	143	129	114	100	86	72	62
980	990	203	189	174	160	146	131	117	103	89	74	64
990	1,000	206	191	177	163	149	134	120	106	91	77	65
1,000	1,010	208	194	180	166	151	137	123	108	94	80	67
1,010	1,020	211	197	183	168	154	140	126	111	97	83	68
1,020	1,030	214	200	185	171	157	143	128	114	100	86	71
1,030	1,040	217	203	188	174	160	145	131	117	103	88	74
1,040	1,050	220	205	191	177	163	148	134	120	105	91	77
1,050	1,060	222	208	194	180	165	151	137	122	108	94	80
1,060	1,070	225	211	197	182	168	154	140	125	111	97	82
1,070	1,080	228	214	199	185	171	157	142	128	114	100	85
1,080	1,090	231	217	202	188	174	159	145	131	117	102	88
1,090	1,100	235	219	205	191	177	162	148	134	119	105	91
1,100	1,110	238	222	208	194	179	165	151	136	122	108	94
1,110	1,120	241	225	211	196	182	168	154	139	125	111	96
1,120	1,130	244	228	213	199	185	171	156	142	128	114	99
1,130	1,140	247	231	216	202	188	173	159	145	131	116	102
1,140	1,150	250	234	219	205	191	176	162	148	133	119	105
1,150	1,160	253	237	222	208	193	179	165	150	136	122	108
1,160	1,170	256	240	225	210	196	182	168	153	139	125	110
1,170	1,180	259	244	228	213	199	185	170	156	142	128	113
1,180	1,190	262	247	231	216	202	187	173	159	145	130	116
1,190	1,200	266	250	234	219	205	190	176	162	147	133	119
1,200	1,210	269	253	237	222	207	193	179	164	150	136	122
1,210	1,220	272	256	240	224	210	196	182	167	153	139	124
1,220	1,230	275	259	243	227	213	199	184	170	156	142	127
1,230	1,240	278	262	246	231	216	201	187	173	159	144	130
1,240	1,250	281	265	249	234	219	204	190	176	161	147	133

\$1,250 and over

Use Table 1(a) for a SINGLE person on page 34. Also see the instructions on page 32.

MARRIED Persons—WEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$125	0	0	0	0	0	0	0	0	0	0	0
125	130	1	0	0	0	0	0	0	0	0	0	0
130	135	1	0	0	0	0	0	0	0	0	0	0
135	140	2	0	0	0	0	0	0	0	0	0	0
140	145	3	0	0	0	0	0	0	0	0	0	0
145	150	4	0	0	0	0	0	0	0	0	0	0
150	155	4	0	0	0	0	0	0	0	0	0	0
155	160	5	0	0	0	0	0	0	0	0	0	0
160	165	6	0	0	0	0	0	0	0	0	0	0
165	170	7	0	0	0	0	0	0	0	0	0	0
170	175	7	0	0	0	0	0	0	0	0	0	0
175	180	8	0	0	0	0	0	0	0	0	0	0
180	185	9	1	0	0	0	0	0	0	0	0	0
185	190	10	2	0	0	0	0	0	0	0	0	0
190	195	10	3	0	0	0	0	0	0	0	0	0
195	200	11	3	0	0	0	0	0	0	0	0	0
200	210	12	5	0	0	0	0	0	0	0	0	0
210	220	14	6	0	0	0	0	0	0	0	0	0
220	230	15	8	0	0	0	0	0	0	0	0	0
230	240	17	9	1	0	0	0	0	0	0	0	0
240	250	18	11	3	0	0	0	0	0	0	0	0
250	260	20	12	4	0	0	0	0	0	0	0	0
260	270	21	14	6	0	0	0	0	0	0	0	0
270	280	23	15	7	0	0	0	0	0	0	0	0
280	290	24	17	9	1	0	0	0	0	0	0	0
290	300	26	18	10	3	0	0	0	0	0	0	0
300	310	27	20	12	4	0	0	0	0	0	0	0
310	320	29	21	13	6	0	0	0	0	0	0	0
320	330	30	23	15	7	0	0	0	0	0	0	0
330	340	32	24	16	9	1	0	0	0	0	0	0
340	350	33	26	18	10	3	0	0	0	0	0	0
350	360	35	27	19	12	4	0	0	0	0	0	0
360	370	36	29	21	13	6	0	0	0	0	0	0
370	380	38	30	22	15	7	0	0	0	0	0	0
380	390	39	32	24	16	9	1	0	0	0	0	0
390	400	41	33	25	18	10	2	0	0	0	0	0
400	410	42	35	27	19	12	4	0	0	0	0	0
410	420	44	36	28	21	13	5	0	0	0	0	0
420	430	45	38	30	22	15	7	0	0	0	0	0
430	440	47	39	31	24	16	8	1	0	0	0	0
440	450	48	41	33	25	18	10	2	0	0	0	0
450	460	50	42	34	27	19	11	4	0	0	0	0
460	470	51	44	36	28	21	13	5	0	0	0	0
470	480	53	45	37	30	22	14	7	0	0	0	0
480	490	54	47	39	31	24	16	8	1	0	0	0
490	500	56	48	40	33	25	17	10	2	0	0	0
500	510	57	50	42	34	27	19	11	4	0	0	0
510	520	59	51	43	36	28	20	13	5	0	0	0
520	530	60	53	45	37	30	22	14	7	0	0	0
530	540	62	54	46	39	31	23	16	8	0	0	0
540	550	63	56	48	40	33	25	17	10	2	0	0
550	560	65	57	49	42	34	26	19	11	3	0	0
560	570	66	59	51	43	36	28	20	13	5	0	0
570	580	68	60	52	45	37	29	22	14	6	0	0
580	590	69	62	54	46	39	31	23	16	8	0	0
590	600	71	63	55	48	40	32	25	17	9	2	0
600	610	72	65	57	49	42	34	26	19	11	3	0
610	620	74	66	58	51	43	35	28	20	12	5	0
620	630	75	68	60	52	45	37	29	22	14	6	0
630	640	77	69	61	54	46	38	31	23	15	8	0
640	650	78	71	63	55	48	40	32	25	17	9	2
650	660	80	72	64	57	49	41	34	26	18	11	3
660	670	81	74	66	58	51	43	35	28	20	12	5
670	680	83	75	67	60	52	44	37	29	21	14	6
680	690	84	77	69	61	54	46	38	31	23	15	8
690	700	86	78	70	63	55	47	40	32	24	17	9
700	710	87	80	72	64	57	49	41	34	26	18	11
710	720	89	81	73	66	58	50	43	35	27	20	12
720	730	90	83	75	67	60	52	44	37	29	21	14
730	740	92	84	76	69	61	53	46	38	30	23	15

MARRIED Persons—WEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$740	\$750	93	86	78	70	63	55	47	40	32	24	17
750	760	95	87	79	72	64	56	49	41	33	26	18
760	770	96	89	81	73	66	58	50	43	35	27	20
770	780	98	90	82	75	67	59	52	44	36	29	21
780	790	99	92	84	76	69	61	53	46	38	30	23
790	800	101	93	85	78	70	62	55	47	39	32	24
800	810	102	95	87	79	72	64	56	49	41	33	26
810	820	104	96	88	81	73	65	58	50	42	35	27
820	830	105	98	90	82	75	67	59	52	44	36	29
830	840	107	99	91	84	76	68	61	53	45	38	30
840	850	108	101	93	85	78	70	62	55	47	39	32
850	860	110	102	94	87	79	71	64	56	48	41	33
860	870	111	104	96	88	81	73	65	58	50	42	35
870	880	113	105	97	90	82	74	67	59	51	44	36
880	890	116	107	99	91	84	76	68	61	53	45	38
890	900	118	108	100	93	85	77	70	62	54	47	39
900	910	121	110	102	94	87	79	71	64	56	48	41
910	920	124	111	103	96	88	80	73	65	57	50	42
920	930	127	113	105	97	90	82	74	67	59	51	44
930	940	130	115	106	99	91	83	76	68	60	53	45
940	950	132	118	108	100	93	85	77	70	62	54	47
950	960	135	121	109	102	94	86	79	71	63	56	48
960	970	138	124	111	103	96	88	80	73	65	57	50
970	980	141	127	112	105	97	89	82	74	66	59	51
980	990	144	129	115	106	99	91	83	76	68	60	53
990	1,000	146	132	118	108	100	92	85	77	69	62	54
1,000	1,010	149	135	121	109	102	94	86	79	71	63	56
1,010	1,020	152	138	123	111	103	95	88	80	72	65	57
1,020	1,030	155	141	126	112	105	97	89	82	74	66	59
1,030	1,040	158	143	129	115	106	98	91	83	75	68	60
1,040	1,050	160	146	132	118	108	100	92	85	77	69	62
1,050	1,060	163	149	135	120	109	101	94	86	78	71	63
1,060	1,070	166	152	137	123	111	103	95	88	80	72	65
1,070	1,080	169	155	140	126	112	104	97	89	81	74	66
1,080	1,090	172	157	143	129	114	106	98	91	83	75	68
1,090	1,100	174	160	146	132	117	107	100	92	84	77	69
1,100	1,110	177	163	149	134	120	109	101	94	86	78	71
1,110	1,120	180	166	151	137	123	110	103	95	87	80	72
1,120	1,130	183	169	154	140	126	112	104	97	89	81	74
1,130	1,140	186	171	157	143	128	114	106	98	90	83	75
1,140	1,150	188	174	160	146	131	117	107	100	92	84	77
1,150	1,160	191	177	163	148	134	120	109	101	93	86	78
1,160	1,170	194	180	165	151	137	123	110	103	95	87	80
1,170	1,180	197	183	168	154	140	125	112	104	96	89	81
1,180	1,190	200	185	171	157	142	128	114	106	98	90	83
1,190	1,200	202	188	174	160	145	131	117	107	99	92	84
1,200	1,210	205	191	177	162	148	134	120	109	101	93	86
1,210	1,220	208	194	179	165	151	137	122	110	102	95	87
1,220	1,230	211	197	182	168	154	139	125	112	104	96	89
1,230	1,240	214	199	185	171	156	142	128	114	105	98	90
1,240	1,250	216	202	188	174	159	145	131	116	107	99	92
1,250	1,260	219	205	191	176	162	148	134	119	108	101	93
1,260	1,270	222	208	193	179	165	151	136	122	110	102	95
1,270	1,280	225	211	196	182	168	153	139	125	111	104	96
1,280	1,290	228	213	199	185	170	156	142	128	113	105	98
1,290	1,300	230	216	202	188	173	159	145	130	116	107	99
1,300	1,310	233	219	205	190	176	162	148	133	119	108	101
1,310	1,320	236	222	207	193	179	165	150	136	122	110	102
1,320	1,330	239	225	210	196	182	167	153	139	125	111	104
1,330	1,340	242	227	213	199	184	170	156	142	127	113	105
1,340	1,350	244	230	216	202	187	173	159	144	130	116	107
1,350	1,360	247	233	219	204	190	176	162	147	133	119	108
1,360	1,370	250	236	221	207	193	179	164	150	136	122	110
1,370	1,380	253	239	224	210	196	181	167	153	139	124	111
1,380	1,390	256	241	227	213	198	184	170	156	141	127	113

\$1,390 and over

Use Table 1(b) for a **MARRIED** person on page 34. Also see the instructions on page 32.

SINGLE Persons—BIWEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$105	0	0	0	0	0	0	0	0	0	0	0
105	110	1	0	0	0	0	0	0	0	0	0	0
110	115	2	0	0	0	0	0	0	0	0	0	0
115	120	2	0	0	0	0	0	0	0	0	0	0
120	125	3	0	0	0	0	0	0	0	0	0	0
125	130	4	0	0	0	0	0	0	0	0	0	0
130	135	5	0	0	0	0	0	0	0	0	0	0
135	140	5	0	0	0	0	0	0	0	0	0	0
140	145	6	0	0	0	0	0	0	0	0	0	0
145	150	7	0	0	0	0	0	0	0	0	0	0
150	155	8	0	0	0	0	0	0	0	0	0	0
155	160	8	0	0	0	0	0	0	0	0	0	0
160	165	9	0	0	0	0	0	0	0	0	0	0
165	170	10	0	0	0	0	0	0	0	0	0	0
170	175	11	0	0	0	0	0	0	0	0	0	0
175	180	11	0	0	0	0	0	0	0	0	0	0
180	185	12	0	0	0	0	0	0	0	0	0	0
185	190	13	0	0	0	0	0	0	0	0	0	0
190	195	14	0	0	0	0	0	0	0	0	0	0
195	200	14	0	0	0	0	0	0	0	0	0	0
200	205	15	0	0	0	0	0	0	0	0	0	0
205	210	16	1	0	0	0	0	0	0	0	0	0
210	215	17	1	0	0	0	0	0	0	0	0	0
215	220	17	2	0	0	0	0	0	0	0	0	0
220	225	18	3	0	0	0	0	0	0	0	0	0
225	230	19	4	0	0	0	0	0	0	0	0	0
230	235	20	4	0	0	0	0	0	0	0	0	0
235	240	20	5	0	0	0	0	0	0	0	0	0
240	245	21	6	0	0	0	0	0	0	0	0	0
245	250	22	7	0	0	0	0	0	0	0	0	0
250	260	23	8	0	0	0	0	0	0	0	0	0
260	270	24	9	0	0	0	0	0	0	0	0	0
270	280	26	11	0	0	0	0	0	0	0	0	0
280	290	27	12	0	0	0	0	0	0	0	0	0
290	300	29	14	0	0	0	0	0	0	0	0	0
300	310	30	15	0	0	0	0	0	0	0	0	0
310	320	32	17	1	0	0	0	0	0	0	0	0
320	330	33	18	3	0	0	0	0	0	0	0	0
330	340	35	20	4	0	0	0	0	0	0	0	0
340	350	36	21	6	0	0	0	0	0	0	0	0
350	360	38	23	7	0	0	0	0	0	0	0	0
360	370	39	24	9	0	0	0	0	0	0	0	0
370	380	41	26	10	0	0	0	0	0	0	0	0
380	390	42	27	12	0	0	0	0	0	0	0	0
390	400	44	29	13	0	0	0	0	0	0	0	0
400	410	45	30	15	0	0	0	0	0	0	0	0
410	420	47	32	16	1	0	0	0	0	0	0	0
420	430	48	33	18	3	0	0	0	0	0	0	0
430	440	50	35	19	4	0	0	0	0	0	0	0
440	450	51	36	21	6	0	0	0	0	0	0	0
450	460	53	38	22	7	0	0	0	0	0	0	0
460	470	54	39	24	9	0	0	0	0	0	0	0
470	480	56	41	25	10	0	0	0	0	0	0	0
480	490	57	42	27	12	0	0	0	0	0	0	0
490	500	59	44	28	13	0	0	0	0	0	0	0
500	520	61	46	31	15	0	0	0	0	0	0	0
520	540	64	49	34	18	3	0	0	0	0	0	0
540	560	67	52	37	21	6	0	0	0	0	0	0
560	580	70	55	40	24	9	0	0	0	0	0	0
580	600	73	58	43	27	12	0	0	0	0	0	0
600	620	76	61	46	30	15	0	0	0	0	0	0
620	640	79	64	49	33	18	3	0	0	0	0	0
640	660	82	67	52	36	21	6	0	0	0	0	0
660	680	85	70	55	39	24	9	0	0	0	0	0
680	700	88	73	58	42	27	12	0	0	0	0	0
700	720	91	76	61	45	30	15	0	0	0	0	0
720	740	94	79	64	48	33	18	2	0	0	0	0
740	760	97	82	67	51	36	21	5	0	0	0	0
760	780	100	85	70	54	39	24	8	0	0	0	0
780	800	103	88	73	57	42	27	11	0	0	0	0

SINGLE Persons—BIWEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$800	\$820	106	91	76	60	45	30	14	0	0	0	0
820	840	109	94	79	63	48	33	17	2	0	0	0
840	860	112	97	82	66	51	36	20	5	0	0	0
860	880	115	100	85	69	54	39	23	8	0	0	0
880	900	118	103	88	72	57	42	26	11	0	0	0
900	920	121	106	91	75	60	45	29	14	0	0	0
920	940	124	109	94	78	63	48	32	17	2	0	0
940	960	127	112	97	81	66	51	35	20	5	0	0
960	980	130	115	100	84	69	54	38	23	8	0	0
980	1,000	133	118	103	87	72	57	41	26	11	0	0
1,000	1,020	137	121	106	90	75	60	44	29	14	0	0
1,020	1,040	142	124	109	93	78	63	47	32	17	2	0
1,040	1,060	148	127	112	96	81	66	50	35	20	5	0
1,060	1,080	154	130	115	99	84	69	53	38	23	8	0
1,080	1,100	159	133	118	102	87	72	56	41	26	11	0
1,100	1,120	165	136	121	105	90	75	59	44	29	14	0
1,120	1,140	170	142	124	108	93	78	62	47	32	17	1
1,140	1,160	176	147	127	111	96	81	65	50	35	20	4
1,160	1,180	182	153	130	114	99	84	68	53	38	23	7
1,180	1,200	187	159	133	117	102	87	71	56	41	26	10
1,200	1,220	193	164	136	120	105	90	74	59	44	29	13
1,220	1,240	198	170	141	123	108	93	77	62	47	32	16
1,240	1,260	204	175	147	126	111	96	80	65	50	35	19
1,260	1,280	210	181	152	129	114	99	83	68	53	38	22
1,280	1,300	215	187	158	132	117	102	86	71	56	41	25
1,300	1,320	221	192	164	135	120	105	89	74	59	44	28
1,320	1,340	226	198	169	141	123	108	92	77	62	47	31
1,340	1,360	232	203	175	146	126	111	95	80	65	50	34
1,360	1,380	238	209	180	152	129	114	98	83	68	53	37
1,380	1,400	243	215	186	158	132	117	101	86	71	56	40
1,400	1,420	249	220	192	163	135	120	104	89	74	59	43
1,420	1,440	254	226	197	169	140	123	107	92	77	62	46
1,440	1,460	260	231	203	174	146	126	110	95	80	65	49
1,460	1,480	266	237	208	180	151	129	113	98	83	68	52
1,480	1,500	271	243	214	186	157	132	116	101	86	71	55
1,500	1,520	277	248	220	191	163	135	119	104	89	74	58
1,520	1,540	282	254	225	197	168	140	122	107	92	77	61
1,540	1,560	288	259	231	202	174	145	125	110	95	80	64
1,560	1,580	294	265	236	208	179	151	128	113	98	83	67
1,580	1,600	299	271	242	214	185	156	131	116	101	86	70
1,600	1,620	305	276	248	219	191	162	134	119	104	89	73
1,620	1,640	310	282	253	225	196	168	139	122	107	92	76
1,640	1,660	316	287	259	230	202	173	145	125	110	95	79
1,660	1,680	322	293	264	236	207	179	150	128	113	98	82
1,680	1,700	327	299	270	242	213	184	156	131	116	101	85
1,700	1,720	333	304	276	247	219	190	162	134	119	104	88
1,720	1,740	338	310	281	253	224	196	167	139	122	107	91
1,740	1,760	344	315	287	258	230	201	173	144	125	110	94
1,760	1,780	350	321	292	264	235	207	178	150	128	113	97
1,780	1,800	355	327	298	270	241	212	184	155	131	116	100
1,800	1,820	361	332	304	275	247	218	190	161	134	119	103
1,820	1,840	366	338	309	281	252	224	195	167	138	122	106
1,840	1,860	372	343	315	286	258	229	201	172	144	125	109
1,860	1,880	378	349	320	292	263	235	206	178	149	128	112
1,880	1,900	383	355	326	298	269	240	212	183	155	131	115
1,900	1,920	389	360	332	303	275	246	218	189	160	134	118
1,920	1,940	394	366	337	309	280	252	223	195	166	138	121
1,940	1,960	400	371	343	314	286	257	229	200	172	143	124
1,960	1,980	406	377	348	320	291	263	234	206	177	149	127
1,980	2,000	411	383	354	326	297	268	240	211	183	154	130
2,000	2,020	417	388	360	331	303	274	246	217	188	160	133
2,020	2,040	422	394	365	337	308	280	251	223	194	166	137
2,040	2,060	428	399	371	342	314	285	257	228	200	171	143
2,060	2,080	434	405	376	348	319	291	262	234	205	177	148
2,080	2,100	439	411	382	354	325	296	268	239	211	182	154

\$2,100 and over

Use Table 2(a) for a **SINGLE** person on page 34. Also see the instructions on page 32.

MARRIED Persons—BIWEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$250	0	0	0	0	0	0	0	0	0	0	0
250	260	1	0	0	0	0	0	0	0	0	0	0
260	270	3	0	0	0	0	0	0	0	0	0	0
270	280	4	0	0	0	0	0	0	0	0	0	0
280	290	6	0	0	0	0	0	0	0	0	0	0
290	300	7	0	0	0	0	0	0	0	0	0	0
300	310	9	0	0	0	0	0	0	0	0	0	0
310	320	10	0	0	0	0	0	0	0	0	0	0
320	330	12	0	0	0	0	0	0	0	0	0	0
330	340	13	0	0	0	0	0	0	0	0	0	0
340	350	15	0	0	0	0	0	0	0	0	0	0
350	360	16	1	0	0	0	0	0	0	0	0	0
360	370	18	2	0	0	0	0	0	0	0	0	0
370	380	19	4	0	0	0	0	0	0	0	0	0
380	390	21	5	0	0	0	0	0	0	0	0	0
390	400	22	7	0	0	0	0	0	0	0	0	0
400	410	24	8	0	0	0	0	0	0	0	0	0
410	420	25	10	0	0	0	0	0	0	0	0	0
420	430	27	11	0	0	0	0	0	0	0	0	0
430	440	28	13	0	0	0	0	0	0	0	0	0
440	450	30	14	0	0	0	0	0	0	0	0	0
450	460	31	16	0	0	0	0	0	0	0	0	0
460	470	33	17	2	0	0	0	0	0	0	0	0
470	480	34	19	3	0	0	0	0	0	0	0	0
480	490	36	20	5	0	0	0	0	0	0	0	0
490	500	37	22	6	0	0	0	0	0	0	0	0
500	520	39	24	9	0	0	0	0	0	0	0	0
520	540	42	27	12	0	0	0	0	0	0	0	0
540	560	45	30	15	0	0	0	0	0	0	0	0
560	580	48	33	18	2	0	0	0	0	0	0	0
580	600	51	36	21	5	0	0	0	0	0	0	0
600	620	54	39	24	8	0	0	0	0	0	0	0
620	640	57	42	27	11	0	0	0	0	0	0	0
640	660	60	45	30	14	0	0	0	0	0	0	0
660	680	63	48	33	17	2	0	0	0	0	0	0
680	700	66	51	36	20	5	0	0	0	0	0	0
700	720	69	54	39	23	8	0	0	0	0	0	0
720	740	72	57	42	26	11	0	0	0	0	0	0
740	760	75	60	45	29	14	0	0	0	0	0	0
760	780	78	63	48	32	17	2	0	0	0	0	0
780	800	81	66	51	35	20	5	0	0	0	0	0
800	820	84	69	54	38	23	8	0	0	0	0	0
820	840	87	72	57	41	26	11	0	0	0	0	0
840	860	90	75	60	44	29	14	0	0	0	0	0
860	880	93	78	63	47	32	17	2	0	0	0	0
880	900	96	81	66	50	35	20	5	0	0	0	0
900	920	99	84	69	53	38	23	8	0	0	0	0
920	940	102	87	72	56	41	26	11	0	0	0	0
940	960	105	90	75	59	44	29	14	0	0	0	0
960	980	108	93	78	62	47	32	17	1	0	0	0
980	1,000	111	96	81	65	50	35	20	4	0	0	0
1,000	1,020	114	99	84	68	53	38	23	7	0	0	0
1,020	1,040	117	102	87	71	56	41	26	10	0	0	0
1,040	1,060	120	105	90	74	59	44	29	13	0	0	0
1,060	1,080	123	108	93	77	62	47	32	16	1	0	0
1,080	1,100	126	111	96	80	65	50	35	19	4	0	0
1,100	1,120	129	114	99	83	68	53	38	22	7	0	0
1,120	1,140	132	117	102	86	71	56	41	25	10	0	0
1,140	1,160	135	120	105	89	74	59	44	28	13	0	0
1,160	1,180	138	123	108	92	77	62	47	31	16	1	0
1,180	1,200	141	126	111	95	80	65	50	34	19	4	0
1,200	1,220	144	129	114	98	83	68	53	37	22	7	0
1,220	1,240	147	132	117	101	86	71	56	40	25	10	0
1,240	1,260	150	135	120	104	89	74	59	43	28	13	0
1,260	1,280	153	138	123	107	92	77	62	46	31	16	0
1,280	1,300	156	141	126	110	95	80	65	49	34	19	3
1,300	1,320	159	144	129	113	98	83	68	52	37	22	6
1,320	1,340	162	147	132	116	101	86	71	55	40	25	9
1,340	1,360	165	150	135	119	104	89	74	58	43	28	12
1,360	1,380	168	153	138	122	107	92	77	61	46	31	15

MARRIED Persons—BIWEEKLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$1,380	\$1,400	171	156	141	125	110	95	80	64	49	34	18
1,400	1,420	174	159	144	128	113	98	83	67	52	37	21
1,420	1,440	177	162	147	131	116	101	86	70	55	40	24
1,440	1,460	180	165	150	134	119	104	89	73	58	43	27
1,460	1,480	183	168	153	137	122	107	92	76	61	46	30
1,480	1,500	186	171	156	140	125	110	95	79	64	49	33
1,500	1,520	189	174	159	143	128	113	98	82	67	52	36
1,520	1,540	192	177	162	146	131	116	101	85	70	55	39
1,540	1,560	195	180	165	149	134	119	104	88	73	58	42
1,560	1,580	198	183	168	152	137	122	107	91	76	61	45
1,580	1,600	201	186	171	155	140	125	110	94	79	64	48
1,600	1,620	204	189	174	158	143	128	113	97	82	67	51
1,620	1,640	207	192	177	161	146	131	116	100	85	70	54
1,640	1,660	210	195	180	164	149	134	119	103	88	73	57
1,660	1,680	213	198	183	167	152	137	122	106	91	76	60
1,680	1,700	216	201	186	170	155	140	125	109	94	79	63
1,700	1,720	219	204	189	173	158	143	128	112	97	82	66
1,720	1,740	222	207	192	176	161	146	131	115	100	85	69
1,740	1,760	226	210	195	179	164	149	134	118	103	88	72
1,760	1,780	231	213	198	182	167	152	137	121	106	91	75
1,780	1,800	237	216	201	185	170	155	140	124	109	94	78
1,800	1,820	242	219	204	188	173	158	143	127	112	97	81
1,820	1,840	248	222	207	191	176	161	146	130	115	100	84
1,840	1,860	254	225	210	194	179	164	149	133	118	103	87
1,860	1,880	259	231	213	197	182	167	152	136	121	106	90
1,880	1,900	265	236	216	200	185	170	155	139	124	109	93
1,900	1,920	270	242	219	203	188	173	158	142	127	112	96
1,920	1,940	276	247	222	206	191	176	161	145	130	115	99
1,940	1,960	282	253	225	209	194	179	164	148	133	118	102
1,960	1,980	287	259	230	212	197	182	167	151	136	121	105
1,980	2,000	293	264	236	215	200	185	170	154	139	124	108
2,000	2,020	298	270	241	218	203	188	173	157	142	127	111
2,020	2,040	304	275	247	221	206	191	176	160	145	130	114
2,040	2,060	310	281	252	224	209	194	179	163	148	133	117
2,060	2,080	315	287	258	230	212	197	182	166	151	136	120
2,080	2,100	321	292	264	235	215	200	185	169	154	139	123
2,100	2,120	326	298	269	241	218	203	188	172	157	142	126
2,120	2,140	332	303	275	246	221	206	191	175	160	145	129
2,140	2,160	338	309	280	252	224	209	194	178	163	148	132
2,160	2,180	343	315	286	258	229	212	197	181	166	151	135
2,180	2,200	349	320	292	263	235	215	200	184	169	154	138
2,200	2,220	354	326	297	269	240	218	203	187	172	157	141
2,220	2,240	360	331	303	274	246	221	206	190	175	160	144
2,240	2,260	366	337	308	280	251	224	209	193	178	163	147
2,260	2,280	371	343	314	286	257	228	212	196	181	166	150
2,280	2,300	377	348	320	291	263	234	215	199	184	169	153
2,300	2,320	382	354	325	297	268	240	218	202	187	172	156
2,320	2,340	388	359	331	302	274	245	221	205	190	175	159
2,340	2,360	394	365	336	308	279	251	224	208	193	178	162
2,360	2,380	399	371	342	314	285	256	228	211	196	181	165
2,380	2,400	405	376	348	319	291	262	234	214	199	184	168
2,400	2,420	410	382	353	325	296	268	239	217	202	187	171
2,420	2,440	416	387	359	330	302	273	245	220	205	190	174
2,440	2,460	422	393	364	336	307	279	250	223	208	193	177
2,460	2,480	427	399	370	342	313	284	256	227	211	196	180
2,480	2,500	433	404	376	347	319	290	262	233	214	199	183
2,500	2,520	438	410	381	353	324	296	267	239	217	202	186
2,520	2,540	444	415	387	358	330	301	273	244	220	205	189
2,540	2,560	450	421	392	364	335	307	278	250	223	208	192
2,560	2,580	455	427	398	370	341	312	284	255	227	211	195
2,580	2,600	461	432	404	375	347	318	290	261	232	214	198
2,600	2,620	466	438	409	381	352	324	295	267	238	217	201
2,620	2,640	472	443	415	386	358	329	301	272	244	220	204
2,640	2,660	478	449	420	392	363	335	306	278	249	223	207
2,660	2,680	483	455	426	398	369	340	312	283	255	226	210

\$2,680 and over

Use Table 2(b) for a **MARRIED person** on page 34. Also see the instructions on page 32.

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$115	0	0	0	0	0	0	0	0	0	0	0
115	120	1	0	0	0	0	0	0	0	0	0	0
120	125	2	0	0	0	0	0	0	0	0	0	0
125	130	3	0	0	0	0	0	0	0	0	0	0
130	135	3	0	0	0	0	0	0	0	0	0	0
135	140	4	0	0	0	0	0	0	0	0	0	0
140	145	5	0	0	0	0	0	0	0	0	0	0
145	150	6	0	0	0	0	0	0	0	0	0	0
150	155	6	0	0	0	0	0	0	0	0	0	0
155	160	7	0	0	0	0	0	0	0	0	0	0
160	165	8	0	0	0	0	0	0	0	0	0	0
165	170	9	0	0	0	0	0	0	0	0	0	0
170	175	9	0	0	0	0	0	0	0	0	0	0
175	180	10	0	0	0	0	0	0	0	0	0	0
180	185	11	0	0	0	0	0	0	0	0	0	0
185	190	12	0	0	0	0	0	0	0	0	0	0
190	195	12	0	0	0	0	0	0	0	0	0	0
195	200	13	0	0	0	0	0	0	0	0	0	0
200	205	14	0	0	0	0	0	0	0	0	0	0
205	210	15	0	0	0	0	0	0	0	0	0	0
210	215	15	0	0	0	0	0	0	0	0	0	0
215	220	16	0	0	0	0	0	0	0	0	0	0
220	225	17	0	0	0	0	0	0	0	0	0	0
225	230	18	1	0	0	0	0	0	0	0	0	0
230	235	18	2	0	0	0	0	0	0	0	0	0
235	240	19	3	0	0	0	0	0	0	0	0	0
240	245	20	3	0	0	0	0	0	0	0	0	0
245	250	21	4	0	0	0	0	0	0	0	0	0
250	260	22	5	0	0	0	0	0	0	0	0	0
260	270	23	7	0	0	0	0	0	0	0	0	0
270	280	25	8	0	0	0	0	0	0	0	0	0
280	290	26	10	0	0	0	0	0	0	0	0	0
290	300	28	11	0	0	0	0	0	0	0	0	0
300	310	29	13	0	0	0	0	0	0	0	0	0
310	320	31	14	0	0	0	0	0	0	0	0	0
320	330	32	16	0	0	0	0	0	0	0	0	0
330	340	34	17	1	0	0	0	0	0	0	0	0
340	350	35	19	2	0	0	0	0	0	0	0	0
350	360	37	20	4	0	0	0	0	0	0	0	0
360	370	38	22	5	0	0	0	0	0	0	0	0
370	380	40	23	7	0	0	0	0	0	0	0	0
380	390	41	25	8	0	0	0	0	0	0	0	0
390	400	43	26	10	0	0	0	0	0	0	0	0
400	410	44	28	11	0	0	0	0	0	0	0	0
410	420	46	29	13	0	0	0	0	0	0	0	0
420	430	47	31	14	0	0	0	0	0	0	0	0
430	440	49	32	16	0	0	0	0	0	0	0	0
440	450	50	34	17	1	0	0	0	0	0	0	0
450	460	52	35	19	2	0	0	0	0	0	0	0
460	470	53	37	20	4	0	0	0	0	0	0	0
470	480	55	38	22	5	0	0	0	0	0	0	0
480	490	56	40	23	7	0	0	0	0	0	0	0
490	500	58	41	25	8	0	0	0	0	0	0	0
500	520	60	43	27	10	0	0	0	0	0	0	0
520	540	63	46	30	13	0	0	0	0	0	0	0
540	560	66	49	33	16	0	0	0	0	0	0	0
560	580	69	52	36	19	3	0	0	0	0	0	0
580	600	72	55	39	22	6	0	0	0	0	0	0
600	620	75	58	42	25	9	0	0	0	0	0	0
620	640	78	61	45	28	12	0	0	0	0	0	0
640	660	81	64	48	31	15	0	0	0	0	0	0
660	680	84	67	51	34	18	1	0	0	0	0	0
680	700	87	70	54	37	21	4	0	0	0	0	0
700	720	90	73	57	40	24	7	0	0	0	0	0
720	740	93	76	60	43	27	10	0	0	0	0	0
740	760	96	79	63	46	30	13	0	0	0	0	0
760	780	99	82	66	49	33	16	0	0	0	0	0
780	800	102	85	69	52	36	19	3	0	0	0	0
800	820	105	88	72	55	39	22	6	0	0	0	0
820	840	108	91	75	58	42	25	9	0	0	0	0

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$840	\$860	111	94	78	61	45	28	12	0	0	0	0
860	880	114	97	81	64	48	31	15	0	0	0	0
880	900	117	100	84	67	51	34	18	1	0	0	0
900	920	120	103	87	70	54	37	21	4	0	0	0
920	940	123	106	90	73	57	40	24	7	0	0	0
940	960	126	109	93	76	60	43	27	10	0	0	0
960	980	129	112	96	79	63	46	30	13	0	0	0
980	1,000	132	115	99	82	66	49	33	16	0	0	0
1,000	1,020	135	118	102	85	69	52	36	19	2	0	0
1,020	1,040	138	121	105	88	72	55	39	22	5	0	0
1,040	1,060	141	124	108	91	75	58	42	25	8	0	0
1,060	1,080	144	127	111	94	78	61	45	28	11	0	0
1,080	1,100	147	130	114	97	81	64	48	31	14	0	0
1,100	1,120	153	133	117	100	84	67	51	34	17	1	0
1,120	1,140	158	136	120	103	87	70	54	37	20	4	0
1,140	1,160	164	139	123	106	90	73	57	40	23	7	0
1,160	1,180	169	142	126	109	93	76	60	43	26	10	0
1,180	1,200	175	145	129	112	96	79	63	46	29	13	0
1,200	1,220	181	150	132	115	99	82	66	49	32	16	0
1,220	1,240	186	155	135	118	102	85	69	52	35	19	2
1,240	1,260	192	161	138	121	105	88	72	55	38	22	5
1,260	1,280	197	166	141	124	108	91	75	58	41	25	8
1,280	1,300	203	172	144	127	111	94	78	61	44	28	11
1,300	1,320	209	178	147	130	114	97	81	64	47	31	14
1,320	1,340	214	183	152	133	117	100	84	67	50	34	17
1,340	1,360	220	189	158	136	120	103	87	70	53	37	20
1,360	1,380	225	194	164	139	123	106	90	73	56	40	23
1,380	1,400	231	200	169	142	126	109	93	76	59	43	26
1,400	1,420	237	206	175	145	129	112	96	79	62	46	29
1,420	1,440	242	211	180	149	132	115	99	82	65	49	32
1,440	1,460	248	217	186	155	135	118	102	85	68	52	35
1,460	1,480	253	222	192	161	138	121	105	88	71	55	38
1,480	1,500	259	228	197	166	141	124	108	91	74	58	41
1,500	1,520	265	234	203	172	144	127	111	94	77	61	44
1,520	1,540	270	239	208	177	147	130	114	97	80	64	47
1,540	1,560	276	245	214	183	152	133	117	100	83	67	50
1,560	1,580	281	250	220	189	158	136	120	103	86	70	53
1,580	1,600	287	256	225	194	163	139	123	106	89	73	56
1,600	1,620	293	262	231	200	169	142	126	109	92	76	59
1,620	1,640	298	267	236	205	175	145	129	112	95	79	62
1,640	1,660	304	273	242	211	180	149	132	115	98	82	65
1,660	1,680	309	278	248	217	186	155	135	118	101	85	68
1,680	1,700	315	284	253	222	191	160	138	121	104	88	71
1,700	1,720	321	290	259	228	197	166	141	124	107	91	74
1,720	1,740	326	295	264	233	203	172	144	127	110	94	77
1,740	1,760	332	301	270	239	208	177	147	130	113	97	80
1,760	1,780	337	306	276	245	214	183	152	133	116	100	83
1,780	1,800	343	312	281	250	219	188	157	136	119	103	86
1,800	1,820	349	318	287	256	225	194	163	139	122	106	89
1,820	1,840	354	323	292	261	231	200	169	142	125	109	92
1,840	1,860	360	329	298	267	236	205	174	145	128	112	95
1,860	1,880	365	334	304	273	242	211	180	149	131	115	98
1,880	1,900	371	340	309	278	247	216	185	155	134	118	101
1,900	1,920	377	346	315	284	253	222	191	160	137	121	104
1,920	1,940	382	351	320	289	259	228	197	166	140	124	107
1,940	1,960	388	357	326	295	264	233	202	171	143	127	110
1,960	1,980	393	362	332	301	270	239	208	177	146	130	113
1,980	2,000	399	368	337	306	275	244	213	183	152	133	116
2,000	2,020	405	374	343	312	281	250	219	188	157	136	119
2,020	2,040	410	379	348	317	287	256	225	194	163	139	122
2,040	2,060	416	385	354	323	292	261	230	199	168	142	125
2,060	2,080	421	390	360	329	298	267	236	205	174	145	128
2,080	2,100	427	396	365	334	303	272	241	211	180	149	131
2,100	2,120	433	402	371	340	309	278	247	216	185	154	134
2,120	2,140	438	407	376	345	315	284	253	222	191	160	137

\$2,140 and over

Use Table 3(a) for a **SINGLE** person on page 34. Also see the instructions on page 32.

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$270	0	0	0	0	0	0	0	0	0	0	0
270	280	1	0	0	0	0	0	0	0	0	0	0
280	290	2	0	0	0	0	0	0	0	0	0	0
290	300	4	0	0	0	0	0	0	0	0	0	0
300	310	5	0	0	0	0	0	0	0	0	0	0
310	320	7	0	0	0	0	0	0	0	0	0	0
320	330	8	0	0	0	0	0	0	0	0	0	0
330	340	10	0	0	0	0	0	0	0	0	0	0
340	350	11	0	0	0	0	0	0	0	0	0	0
350	360	13	0	0	0	0	0	0	0	0	0	0
360	370	14	0	0	0	0	0	0	0	0	0	0
370	380	16	0	0	0	0	0	0	0	0	0	0
380	390	17	1	0	0	0	0	0	0	0	0	0
390	400	19	2	0	0	0	0	0	0	0	0	0
400	410	20	4	0	0	0	0	0	0	0	0	0
410	420	22	5	0	0	0	0	0	0	0	0	0
420	430	23	7	0	0	0	0	0	0	0	0	0
430	440	25	8	0	0	0	0	0	0	0	0	0
440	450	26	10	0	0	0	0	0	0	0	0	0
450	460	28	11	0	0	0	0	0	0	0	0	0
460	470	29	13	0	0	0	0	0	0	0	0	0
470	480	31	14	0	0	0	0	0	0	0	0	0
480	490	32	16	0	0	0	0	0	0	0	0	0
490	500	34	17	1	0	0	0	0	0	0	0	0
500	520	36	20	3	0	0	0	0	0	0	0	0
520	540	39	23	6	0	0	0	0	0	0	0	0
540	560	42	26	9	0	0	0	0	0	0	0	0
560	580	45	29	12	0	0	0	0	0	0	0	0
580	600	48	32	15	0	0	0	0	0	0	0	0
600	620	51	35	18	2	0	0	0	0	0	0	0
620	640	54	38	21	5	0	0	0	0	0	0	0
640	660	57	41	24	8	0	0	0	0	0	0	0
660	680	60	44	27	11	0	0	0	0	0	0	0
680	700	63	47	30	14	0	0	0	0	0	0	0
700	720	66	50	33	17	0	0	0	0	0	0	0
720	740	69	53	36	20	3	0	0	0	0	0	0
740	760	72	56	39	23	6	0	0	0	0	0	0
760	780	75	59	42	26	9	0	0	0	0	0	0
780	800	78	62	45	29	12	0	0	0	0	0	0
800	820	81	65	48	32	15	0	0	0	0	0	0
820	840	84	68	51	35	18	1	0	0	0	0	0
840	860	87	71	54	38	21	4	0	0	0	0	0
860	880	90	74	57	41	24	7	0	0	0	0	0
880	900	93	77	60	44	27	10	0	0	0	0	0
900	920	96	80	63	47	30	13	0	0	0	0	0
920	940	99	83	66	50	33	16	0	0	0	0	0
940	960	102	86	69	53	36	19	3	0	0	0	0
960	980	105	89	72	56	39	22	6	0	0	0	0
980	1,000	108	92	75	59	42	25	9	0	0	0	0
1,000	1,020	111	95	78	62	45	28	12	0	0	0	0
1,020	1,040	114	98	81	65	48	31	15	0	0	0	0
1,040	1,060	117	101	84	68	51	34	18	1	0	0	0
1,060	1,080	120	104	87	71	54	37	21	4	0	0	0
1,080	1,100	123	107	90	74	57	40	24	7	0	0	0
1,100	1,120	126	110	93	77	60	43	27	10	0	0	0
1,120	1,140	129	113	96	80	63	46	30	13	0	0	0
1,140	1,160	132	116	99	83	66	49	33	16	0	0	0
1,160	1,180	135	119	102	86	69	52	36	19	3	0	0
1,180	1,200	138	122	105	89	72	55	39	22	6	0	0
1,200	1,220	141	125	108	92	75	58	42	25	9	0	0
1,220	1,240	144	128	111	95	78	61	45	28	12	0	0
1,240	1,260	147	131	114	98	81	64	48	31	15	0	0
1,260	1,280	150	134	117	101	84	67	51	34	18	1	0
1,280	1,300	153	137	120	104	87	70	54	37	21	4	0
1,300	1,320	156	140	123	107	90	73	57	40	24	7	0
1,320	1,340	159	143	126	110	93	76	60	43	27	10	0
1,340	1,360	162	146	129	113	96	79	63	46	30	13	0
1,360	1,380	165	149	132	116	99	82	66	49	33	16	0
1,380	1,400	168	152	135	119	102	85	69	52	36	19	3
1,400	1,420	171	155	138	122	105	88	72	55	39	22	6

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$1,420	\$1,440	174	158	141	125	108	91	75	58	42	25	9
1,440	1,460	177	161	144	128	111	94	78	61	45	28	12
1,460	1,480	180	164	147	131	114	97	81	64	48	31	15
1,480	1,500	183	167	150	134	117	100	84	67	51	34	18
1,500	1,520	186	170	153	137	120	103	87	70	54	37	21
1,520	1,540	189	173	156	140	123	106	90	73	57	40	24
1,540	1,560	192	176	159	143	126	109	93	76	60	43	27
1,560	1,580	195	179	162	146	129	112	96	79	63	46	30
1,580	1,600	198	182	165	149	132	115	99	82	66	49	33
1,600	1,620	201	185	168	152	135	118	102	85	69	52	36
1,620	1,640	204	188	171	155	138	121	105	88	72	55	39
1,640	1,660	207	191	174	158	141	124	108	91	75	58	42
1,660	1,680	210	194	177	161	144	127	111	94	78	61	45
1,680	1,700	213	197	180	164	147	130	114	97	81	64	48
1,700	1,720	216	200	183	167	150	133	117	100	84	67	51
1,720	1,740	219	203	186	170	153	136	120	103	87	70	54
1,740	1,760	222	206	189	173	156	139	123	106	90	73	57
1,760	1,780	225	209	192	176	159	142	126	109	93	76	60
1,780	1,800	228	212	195	179	162	145	129	112	96	79	63
1,800	1,820	231	215	198	182	165	148	132	115	99	82	66
1,820	1,840	234	218	201	185	168	151	135	118	102	85	69
1,840	1,860	237	221	204	188	171	154	138	121	105	88	72
1,860	1,880	240	224	207	191	174	157	141	124	108	91	75
1,880	1,900	243	227	210	194	177	160	144	127	111	94	78
1,900	1,920	248	230	213	197	180	163	147	130	114	97	81
1,920	1,940	254	233	216	200	183	166	150	133	117	100	84
1,940	1,960	260	236	219	203	186	169	153	136	120	103	87
1,960	1,980	265	239	222	206	189	172	156	139	123	106	90
1,980	2,000	271	242	225	209	192	175	159	142	126	109	93
2,000	2,020	276	245	228	212	195	178	162	145	129	112	96
2,020	2,040	282	251	231	215	198	181	165	148	132	115	99
2,040	2,060	288	257	234	218	201	184	168	151	135	118	102
2,060	2,080	293	262	237	221	204	187	171	154	138	121	105
2,080	2,100	299	268	240	224	207	190	174	157	141	124	108
2,100	2,120	304	273	243	227	210	193	177	160	144	127	111
2,120	2,140	310	279	248	230	213	196	180	163	147	130	114
2,140	2,160	316	285	254	233	216	199	183	166	150	133	117
2,160	2,180	321	290	259	236	219	202	186	169	153	136	120
2,180	2,200	327	296	265	239	222	205	189	172	156	139	123
2,200	2,220	332	301	270	242	225	208	192	175	159	142	126
2,220	2,240	338	307	276	245	228	211	195	178	162	145	129
2,240	2,260	344	313	282	251	231	214	198	181	165	148	132
2,260	2,280	349	318	287	256	234	217	201	184	168	151	135
2,280	2,300	355	324	293	262	237	220	204	187	171	154	138
2,300	2,320	360	329	298	268	240	223	207	190	174	157	141
2,320	2,340	366	335	304	273	243	226	210	193	177	160	144
2,340	2,360	372	341	310	279	248	229	213	196	180	163	147
2,360	2,380	377	346	315	284	253	232	216	199	183	166	150
2,380	2,400	383	352	321	290	259	235	219	202	186	169	153
2,400	2,420	388	357	326	296	265	238	222	205	189	172	156
2,420	2,440	394	363	332	301	270	241	225	208	192	175	159
2,440	2,460	400	369	338	307	276	245	228	211	195	178	162
2,460	2,480	405	374	343	312	281	251	231	214	198	181	165
2,480	2,500	411	380	349	318	287	256	234	217	201	184	168
2,500	2,520	416	385	354	324	293	262	237	220	204	187	171
2,520	2,540	422	391	360	329	298	267	240	223	207	190	174
2,540	2,560	428	397	366	335	304	273	243	226	210	193	177
2,560	2,580	433	402	371	340	309	279	248	229	213	196	180
2,580	2,600	439	408	377	346	315	284	253	232	216	199	183
2,600	2,620	444	413	382	352	321	290	259	235	219	202	186
2,620	2,640	450	419	388	357	326	295	264	238	222	205	189
2,640	2,660	456	425	394	363	332	301	270	241	225	208	192
2,660	2,680	461	430	399	368	337	307	276	245	228	211	195
2,680	2,700	467	436	405	374	343	312	281	250	231	214	198
2,700	2,720	472	441	410	380	349	318	287	256	234	217	201

\$2,720 and over

Use Table 3(b) for a **MARRIED person** on page 34. Also see the instructions on page 32.

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$220	0	0	0	0	0	0	0	0	0	0	0
220	230	1	0	0	0	0	0	0	0	0	0	0
230	240	2	0	0	0	0	0	0	0	0	0	0
240	250	4	0	0	0	0	0	0	0	0	0	0
250	260	5	0	0	0	0	0	0	0	0	0	0
260	270	7	0	0	0	0	0	0	0	0	0	0
270	280	8	0	0	0	0	0	0	0	0	0	0
280	290	10	0	0	0	0	0	0	0	0	0	0
290	300	11	0	0	0	0	0	0	0	0	0	0
300	320	13	0	0	0	0	0	0	0	0	0	0
320	340	16	0	0	0	0	0	0	0	0	0	0
340	360	19	0	0	0	0	0	0	0	0	0	0
360	380	22	0	0	0	0	0	0	0	0	0	0
380	400	25	0	0	0	0	0	0	0	0	0	0
400	420	28	0	0	0	0	0	0	0	0	0	0
420	440	31	0	0	0	0	0	0	0	0	0	0
440	460	34	1	0	0	0	0	0	0	0	0	0
460	480	37	4	0	0	0	0	0	0	0	0	0
480	500	40	7	0	0	0	0	0	0	0	0	0
500	520	43	10	0	0	0	0	0	0	0	0	0
520	540	46	13	0	0	0	0	0	0	0	0	0
540	560	49	16	0	0	0	0	0	0	0	0	0
560	580	52	19	0	0	0	0	0	0	0	0	0
580	600	55	22	0	0	0	0	0	0	0	0	0
600	640	60	27	0	0	0	0	0	0	0	0	0
640	680	66	33	0	0	0	0	0	0	0	0	0
680	720	72	39	6	0	0	0	0	0	0	0	0
720	760	78	45	12	0	0	0	0	0	0	0	0
760	800	84	51	18	0	0	0	0	0	0	0	0
800	840	90	57	24	0	0	0	0	0	0	0	0
840	880	96	63	30	0	0	0	0	0	0	0	0
880	920	102	69	36	3	0	0	0	0	0	0	0
920	960	108	75	42	9	0	0	0	0	0	0	0
960	1,000	114	81	48	15	0	0	0	0	0	0	0
1,000	1,040	120	87	54	21	0	0	0	0	0	0	0
1,040	1,080	126	93	60	27	0	0	0	0	0	0	0
1,080	1,120	132	99	66	33	0	0	0	0	0	0	0
1,120	1,160	138	105	72	39	5	0	0	0	0	0	0
1,160	1,200	144	111	78	45	11	0	0	0	0	0	0
1,200	1,240	150	117	84	51	17	0	0	0	0	0	0
1,240	1,280	156	123	90	57	23	0	0	0	0	0	0
1,280	1,320	162	129	96	63	29	0	0	0	0	0	0
1,320	1,360	168	135	102	69	35	2	0	0	0	0	0
1,360	1,400	174	141	108	75	41	8	0	0	0	0	0
1,400	1,440	180	147	114	81	47	14	0	0	0	0	0
1,440	1,480	186	153	120	87	53	20	0	0	0	0	0
1,480	1,520	192	159	126	93	59	26	0	0	0	0	0
1,520	1,560	198	165	132	99	65	32	0	0	0	0	0
1,560	1,600	204	171	138	105	71	38	5	0	0	0	0
1,600	1,640	210	177	144	111	77	44	11	0	0	0	0
1,640	1,680	216	183	150	117	83	50	17	0	0	0	0
1,680	1,720	222	189	156	123	89	56	23	0	0	0	0
1,720	1,760	228	195	162	129	95	62	29	0	0	0	0
1,760	1,800	234	201	168	135	101	68	35	2	0	0	0
1,800	1,840	240	207	174	141	107	74	41	8	0	0	0
1,840	1,880	246	213	180	147	113	80	47	14	0	0	0
1,880	1,920	252	219	186	153	119	86	53	20	0	0	0
1,920	1,960	258	225	192	159	125	92	59	26	0	0	0
1,960	2,000	264	231	198	165	131	98	65	32	0	0	0
2,000	2,040	270	237	204	171	137	104	71	38	5	0	0
2,040	2,080	276	243	210	177	143	110	77	44	11	0	0
2,080	2,120	282	249	216	183	149	116	83	50	17	0	0
2,120	2,160	288	255	222	189	155	122	89	56	23	0	0
2,160	2,200	294	261	228	195	161	128	95	62	29	0	0
2,200	2,240	305	267	234	201	167	134	101	68	35	2	0
2,240	2,280	316	273	240	207	173	140	107	74	41	8	0
2,280	2,320	328	279	246	213	179	146	113	80	47	14	0
2,320	2,360	339	285	252	219	185	152	119	86	53	20	0
2,360	2,400	350	291	258	225	191	158	125	92	59	26	0
2,400	2,440	361	299	264	231	197	164	131	98	65	32	0

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$2,440	\$2,480	372	311	270	237	203	170	137	104	71	38	5
2,480	2,520	384	322	276	243	209	176	143	110	77	44	11
2,520	2,560	395	333	282	249	215	182	149	116	83	50	17
2,560	2,600	406	344	288	255	221	188	155	122	89	56	23
2,600	2,640	417	355	294	261	227	194	161	128	95	62	29
2,640	2,680	428	367	305	267	233	200	167	134	101	68	35
2,680	2,720	440	378	316	273	239	206	173	140	107	74	41
2,720	2,760	451	389	327	279	245	212	179	146	113	80	47
2,760	2,800	462	400	338	285	251	218	185	152	119	86	53
2,800	2,840	473	411	350	291	257	224	191	158	125	92	59
2,840	2,880	484	423	361	299	263	230	197	164	131	98	65
2,880	2,920	496	434	372	310	269	236	203	170	137	104	71
2,920	2,960	507	445	383	321	275	242	209	176	143	110	77
2,960	3,000	518	456	394	332	281	248	215	182	149	116	83
3,000	3,040	529	467	406	344	287	254	221	188	155	122	89
3,040	3,080	540	479	417	355	293	260	227	194	161	128	95
3,080	3,120	552	490	428	366	304	266	233	200	167	134	101
3,120	3,160	563	501	439	377	315	272	239	206	173	140	107
3,160	3,200	574	512	450	388	327	278	245	212	179	146	113
3,200	3,240	585	523	462	400	338	284	251	218	185	152	119
3,240	3,280	596	535	473	411	349	290	257	224	191	158	125
3,280	3,320	608	546	484	422	360	298	263	230	197	164	131
3,320	3,360	619	557	495	433	371	310	269	236	203	170	137
3,360	3,400	630	568	506	444	383	321	275	242	209	176	143
3,400	3,440	641	579	518	456	394	332	281	248	215	182	149
3,440	3,480	652	591	529	467	405	343	287	254	221	188	155
3,480	3,520	664	602	540	478	416	354	293	260	227	194	161
3,520	3,560	675	613	551	489	427	366	304	266	233	200	167
3,560	3,600	686	624	562	500	439	377	315	272	239	206	173
3,600	3,640	697	635	574	512	450	388	326	278	245	212	179
3,640	3,680	708	647	585	523	461	399	337	284	251	218	185
3,680	3,720	720	658	596	534	472	410	349	290	257	224	191
3,720	3,760	731	669	607	545	483	422	360	298	263	230	197
3,760	3,800	742	680	618	556	495	433	371	309	269	236	203
3,800	3,840	753	691	630	568	506	444	382	320	275	242	209
3,840	3,880	764	703	641	579	517	455	393	332	281	248	215
3,880	3,920	776	714	652	590	528	466	405	343	287	254	221
3,920	3,960	787	725	663	601	539	478	416	354	293	260	227
3,960	4,000	798	736	674	612	551	489	427	365	303	266	233
4,000	4,040	809	747	686	624	562	500	438	376	315	272	239
4,040	4,080	820	759	697	635	573	511	449	388	326	278	245
4,080	4,120	832	770	708	646	584	522	461	399	337	284	251
4,120	4,160	843	781	719	657	595	534	472	410	348	290	257
4,160	4,200	854	792	730	668	607	545	483	421	359	297	263
4,200	4,240	865	803	742	680	618	556	494	432	371	309	269
4,240	4,280	876	815	753	691	629	567	505	444	382	320	275
4,280	4,320	888	826	764	702	640	578	517	455	393	331	281
4,320	4,360	899	837	775	713	651	590	528	466	404	342	287
4,360	4,400	910	848	786	724	663	601	539	477	415	353	293
4,400	4,440	921	859	798	736	674	612	550	488	427	365	303
4,440	4,480	932	871	809	747	685	623	561	500	438	376	314
4,480	4,520	944	882	820	758	696	634	573	511	449	387	325
4,520	4,560	955	893	831	769	707	646	584	522	460	398	336
4,560	4,600	966	904	842	780	719	657	595	533	471	409	348
4,600	4,640	978	915	854	792	730	668	606	544	483	421	359
4,640	4,680	990	927	865	803	741	679	617	556	494	432	370
4,680	4,720	1,003	938	876	814	752	690	629	567	505	443	381
4,720	4,760	1,015	949	887	825	763	702	640	578	516	454	392
4,760	4,800	1,027	960	898	836	775	713	651	589	527	465	404
4,800	4,840	1,040	971	910	848	786	724	662	600	539	477	415
4,840	4,880	1,052	984	921	859	797	735	673	612	550	488	426
4,880	4,920	1,065	996	932	870	808	746	685	623	561	499	437
4,920	4,960	1,077	1,009	943	881	819	758	696	634	572	510	448
4,960	5,000	1,089	1,021	954	892	831	769	707	645	583	521	460
5,000	5,040	1,102	1,033	966	904	842	780	718	656	595	533	471

\$5,040 and over

Use Table 4(a) for a **SINGLE** person on page 34. Also see the instructions on page 32.

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$540	0	0	0	0	0	0	0	0	0	0	0
540	560	2	0	0	0	0	0	0	0	0	0	0
560	580	5	0	0	0	0	0	0	0	0	0	0
580	600	8	0	0	0	0	0	0	0	0	0	0
600	640	12	0	0	0	0	0	0	0	0	0	0
640	680	18	0	0	0	0	0	0	0	0	0	0
680	720	24	0	0	0	0	0	0	0	0	0	0
720	760	30	0	0	0	0	0	0	0	0	0	0
760	800	36	3	0	0	0	0	0	0	0	0	0
800	840	42	9	0	0	0	0	0	0	0	0	0
840	880	48	15	0	0	0	0	0	0	0	0	0
880	920	54	21	0	0	0	0	0	0	0	0	0
920	960	60	27	0	0	0	0	0	0	0	0	0
960	1,000	66	33	0	0	0	0	0	0	0	0	0
1,000	1,040	72	39	6	0	0	0	0	0	0	0	0
1,040	1,080	78	45	12	0	0	0	0	0	0	0	0
1,080	1,120	84	51	18	0	0	0	0	0	0	0	0
1,120	1,160	90	57	24	0	0	0	0	0	0	0	0
1,160	1,200	96	63	30	0	0	0	0	0	0	0	0
1,200	1,240	102	69	36	3	0	0	0	0	0	0	0
1,240	1,280	108	75	42	9	0	0	0	0	0	0	0
1,280	1,320	114	81	48	15	0	0	0	0	0	0	0
1,320	1,360	120	87	54	21	0	0	0	0	0	0	0
1,360	1,400	126	93	60	27	0	0	0	0	0	0	0
1,400	1,440	132	99	66	33	0	0	0	0	0	0	0
1,440	1,480	138	105	72	39	6	0	0	0	0	0	0
1,480	1,520	144	111	78	45	12	0	0	0	0	0	0
1,520	1,560	150	117	84	51	18	0	0	0	0	0	0
1,560	1,600	156	123	90	57	24	0	0	0	0	0	0
1,600	1,640	162	129	96	63	30	0	0	0	0	0	0
1,640	1,680	168	135	102	69	36	3	0	0	0	0	0
1,680	1,720	174	141	108	75	42	9	0	0	0	0	0
1,720	1,760	180	147	114	81	48	15	0	0	0	0	0
1,760	1,800	186	153	120	87	54	21	0	0	0	0	0
1,800	1,840	192	159	126	93	60	27	0	0	0	0	0
1,840	1,880	198	165	132	99	66	33	0	0	0	0	0
1,880	1,920	204	171	138	105	72	39	6	0	0	0	0
1,920	1,960	210	177	144	111	78	45	12	0	0	0	0
1,960	2,000	216	183	150	117	84	51	18	0	0	0	0
2,000	2,040	222	189	156	123	90	57	24	0	0	0	0
2,040	2,080	228	195	162	129	96	63	30	0	0	0	0
2,080	2,120	234	201	168	135	102	69	36	3	0	0	0
2,120	2,160	240	207	174	141	108	75	42	9	0	0	0
2,160	2,200	246	213	180	147	114	81	48	15	0	0	0
2,200	2,240	252	219	186	153	120	87	54	21	0	0	0
2,240	2,280	258	225	192	159	126	93	60	27	0	0	0
2,280	2,320	264	231	198	165	132	99	66	33	0	0	0
2,320	2,360	270	237	204	171	138	105	72	39	5	0	0
2,360	2,400	276	243	210	177	144	111	78	45	11	0	0
2,400	2,440	282	249	216	183	150	117	84	51	17	0	0
2,440	2,480	288	255	222	189	156	123	90	57	23	0	0
2,480	2,520	294	261	228	195	162	129	96	63	29	0	0
2,520	2,560	300	267	234	201	168	135	102	69	35	2	0
2,560	2,600	306	273	240	207	174	141	108	75	41	8	0
2,600	2,640	312	279	246	213	180	147	114	81	47	14	0
2,640	2,680	318	285	252	219	186	153	120	87	53	20	0
2,680	2,720	324	291	258	225	192	159	126	93	59	26	0
2,720	2,760	330	297	264	231	198	165	132	99	65	32	0
2,760	2,800	336	303	270	237	204	171	138	105	71	38	5
2,800	2,840	342	309	276	243	210	177	144	111	77	44	11
2,840	2,880	348	315	282	249	216	183	150	117	83	50	17
2,880	2,920	354	321	288	255	222	189	156	123	89	56	23
2,920	2,960	360	327	294	261	228	195	162	129	95	62	29
2,960	3,000	366	333	300	267	234	201	168	135	101	68	35
3,000	3,040	372	339	306	273	240	207	174	141	107	74	41
3,040	3,080	378	345	312	279	246	213	180	147	113	80	47
3,080	3,120	384	351	318	285	252	219	186	153	119	86	53
3,120	3,160	390	357	324	291	258	225	192	159	125	92	59
3,160	3,200	396	363	330	297	264	231	198	165	131	98	65
3,200	3,240	402	369	336	303	270	237	204	171	137	104	71

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$3,240	\$3,280	408	375	342	309	276	243	210	177	143	110	77
3,280	3,320	414	381	348	315	282	249	216	183	149	116	83
3,320	3,360	420	387	354	321	288	255	222	189	155	122	89
3,360	3,400	426	393	360	327	294	261	228	195	161	128	95
3,400	3,440	432	399	366	333	300	267	234	201	167	134	101
3,440	3,480	438	405	372	339	306	273	240	207	173	140	107
3,480	3,520	444	411	378	345	312	279	246	213	179	146	113
3,520	3,560	450	417	384	351	318	285	252	219	185	152	119
3,560	3,600	456	423	390	357	324	291	258	225	191	158	125
3,600	3,640	462	429	396	363	330	297	264	231	197	164	131
3,640	3,680	468	435	402	369	336	303	270	237	203	170	137
3,680	3,720	474	441	408	375	342	309	276	243	209	176	143
3,720	3,760	480	447	414	381	348	315	282	249	215	182	149
3,760	3,800	486	453	420	387	354	321	288	255	221	188	155
3,800	3,840	497	459	426	393	360	327	294	261	227	194	161
3,840	3,880	508	465	432	399	366	333	300	267	233	200	167
3,880	3,920	519	471	438	405	372	339	306	273	239	206	173
3,920	3,960	530	477	444	411	378	345	312	279	245	212	179
3,960	4,000	541	483	450	417	384	351	318	285	251	218	185
4,000	4,040	553	491	456	423	390	357	324	291	257	224	191
4,040	4,080	564	502	462	429	396	363	330	297	263	230	197
4,080	4,120	575	513	468	435	402	369	336	303	269	236	203
4,120	4,160	586	524	474	441	408	375	342	309	275	242	209
4,160	4,200	597	536	480	447	414	381	348	315	281	248	215
4,200	4,240	609	547	486	453	420	387	354	321	287	254	221
4,240	4,280	620	558	496	459	426	393	360	327	293	260	227
4,280	4,320	631	569	507	465	432	399	366	333	299	266	233
4,320	4,360	642	580	519	471	438	405	372	339	305	272	239
4,360	4,400	653	592	530	477	444	411	378	345	311	278	245
4,400	4,440	665	603	541	483	450	417	384	351	317	284	251
4,440	4,480	676	614	552	490	456	423	390	357	323	290	257
4,480	4,520	687	625	563	502	462	429	396	363	329	296	263
4,520	4,560	698	636	575	513	468	435	402	369	335	302	269
4,560	4,600	709	648	586	524	474	441	408	375	341	308	275
4,600	4,640	721	659	597	535	480	447	414	381	347	314	281
4,640	4,680	732	670	608	546	486	453	420	387	353	320	287
4,680	4,720	743	681	619	558	496	459	426	393	359	326	293
4,720	4,760	754	692	631	569	507	465	432	399	365	332	299
4,760	4,800	765	704	642	580	518	471	438	405	371	338	305
4,800	4,840	777	715	653	591	529	477	444	411	377	344	311
4,840	4,880	788	726	664	602	540	483	450	417	383	350	317
4,880	4,920	799	737	675	614	552	490	456	423	389	356	323
4,920	4,960	810	748	687	625	563	501	462	429	395	362	329
4,960	5,000	821	760	698	636	574	512	468	435	401	368	335
5,000	5,040	833	771	709	647	585	523	474	441	407	374	341
5,040	5,080	844	782	720	658	596	535	480	447	413	380	347
5,080	5,120	855	793	731	670	608	546	486	453	419	386	353
5,120	5,160	866	804	743	681	619	557	495	459	425	392	359
5,160	5,200	877	816	754	692	630	568	506	465	431	398	365
5,200	5,240	889	827	765	703	641	579	518	471	437	404	371
5,240	5,280	900	838	776	714	652	591	529	477	443	410	377
5,280	5,320	911	849	787	726	664	602	540	483	449	416	383
5,320	5,360	922	860	799	737	675	613	551	489	455	422	389
5,360	5,400	933	872	810	748	686	624	562	501	461	428	395
5,400	5,440	945	883	821	759	697	635	574	512	467	434	401
5,440	5,480	956	894	832	770	708	647	585	523	473	440	407
5,480	5,520	967	905	843	782	720	658	596	534	479	446	413
5,520	5,560	978	916	855	793	731	669	607	545	485	452	419
5,560	5,600	989	928	866	804	742	680	618	557	495	458	425
5,600	5,640	1,001	939	877	815	753	691	630	568	506	464	431
5,640	5,680	1,012	950	888	826	764	703	641	579	517	470	437
5,680	5,720	1,023	961	899	838	776	714	652	590	528	476	443
5,720	5,760	1,034	972	911	849	787	725	663	601	540	482	449
5,760	5,800	1,045	984	922	860	798	736	674	613	551	489	455
5,800	5,840	1,057	995	933	871	809	747	686	624	562	500	461

\$5,840 and over

Use Table 4(b) for a MARRIED person on page 34. Also see the instructions on page 32.

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$12	0	0	0	0	0	0	0	0	0	0	0
12	15	0	0	0	0	0	0	0	0	0	0	0
15	18	1	0	0	0	0	0	0	0	0	0	0
18	21	1	0	0	0	0	0	0	0	0	0	0
21	24	2	0	0	0	0	0	0	0	0	0	0
24	27	2	1	0	0	0	0	0	0	0	0	0
27	30	3	1	0	0	0	0	0	0	0	0	0
30	33	3	2	0	0	0	0	0	0	0	0	0
33	36	4	2	1	0	0	0	0	0	0	0	0
36	39	4	3	1	0	0	0	0	0	0	0	0
39	42	5	3	1	0	0	0	0	0	0	0	0
42	45	5	3	2	0	0	0	0	0	0	0	0
45	48	5	4	2	1	0	0	0	0	0	0	0
48	51	6	4	3	1	0	0	0	0	0	0	0
51	54	6	5	3	2	0	0	0	0	0	0	0
54	57	7	5	4	2	1	0	0	0	0	0	0
57	60	7	6	4	3	1	0	0	0	0	0	0
60	63	8	6	5	3	2	0	0	0	0	0	0
63	66	8	7	5	4	2	1	0	0	0	0	0
66	69	9	7	6	4	2	1	0	0	0	0	0
69	72	9	8	6	4	3	1	0	0	0	0	0
72	75	9	8	6	5	3	2	0	0	0	0	0
75	78	10	8	7	5	4	2	1	0	0	0	0
78	81	10	9	7	6	4	3	1	0	0	0	0
81	84	11	9	8	6	5	3	2	0	0	0	0
84	87	11	10	8	7	5	4	2	1	0	0	0
87	90	12	10	9	7	6	4	3	1	0	0	0
90	93	12	11	9	8	6	5	3	1	0	0	0
93	96	13	11	10	8	7	5	3	2	0	0	0
96	99	13	12	10	9	7	5	4	2	1	0	0
99	102	14	12	10	9	7	6	4	3	1	0	0
102	105	14	12	11	9	8	6	5	3	2	0	0
105	108	15	13	11	10	8	7	5	4	2	1	0
108	111	16	13	12	10	9	7	6	4	3	1	0
111	114	17	14	12	11	9	8	6	5	3	2	0
114	117	18	15	13	11	10	8	7	5	4	2	1
117	120	19	16	13	12	10	9	7	6	4	2	1
120	123	19	17	14	12	11	9	8	6	4	3	1
123	126	20	17	15	13	11	10	8	6	5	3	2
126	129	21	18	15	13	11	10	8	7	5	4	2
129	132	22	19	16	13	12	10	9	7	6	4	3
132	135	23	20	17	14	12	11	9	8	6	5	3
135	138	24	21	18	15	13	11	10	8	7	5	4
138	141	24	22	19	16	13	12	10	9	7	6	4
141	144	25	22	20	17	14	12	11	9	8	6	5
144	147	26	23	20	18	15	13	11	10	8	7	5
147	150	27	24	21	18	16	13	12	10	9	7	5
150	153	28	25	22	19	16	14	12	10	9	7	6
153	156	29	26	23	20	17	14	12	11	9	8	6
156	159	29	27	24	21	18	15	13	11	10	8	7
159	162	30	27	25	22	19	16	13	12	10	9	7
162	165	31	28	25	23	20	17	14	12	11	9	8
165	168	32	29	26	23	21	18	15	13	11	10	8
168	171	33	30	27	24	21	19	16	13	12	10	9
171	174	34	31	28	25	22	19	17	14	12	11	9
174	177	35	32	29	26	23	20	17	15	13	11	10
177	180	35	33	30	27	24	21	18	15	13	11	10
180	183	36	33	31	28	25	22	19	16	13	12	10
183	186	37	34	31	28	26	23	20	17	14	12	11
186	189	38	35	32	29	26	24	21	18	15	13	11
189	192	39	36	33	30	27	24	22	19	16	13	12
192	195	40	37	34	31	28	25	22	20	17	14	12
195	198	40	38	35	32	29	26	23	20	18	15	13
198	201	41	38	36	33	30	27	24	21	18	16	13
201	204	42	39	36	34	31	28	25	22	19	16	14
204	207	43	40	37	34	32	29	26	23	20	17	14
207	210	44	41	38	35	32	30	27	24	21	18	15
210	213	45	42	39	36	33	30	27	25	22	19	16
213	216	46	43	40	37	34	31	28	25	23	20	17
216	219	46	43	41	38	35	32	29	26	23	21	18

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$219	\$222	47	44	41	39	36	33	30	27	24	21	19
222	225	48	45	42	39	37	34	31	28	25	22	19
225	228	49	46	43	40	37	35	32	29	26	23	20
228	231	50	47	44	41	38	35	33	30	27	24	21
231	234	51	48	45	42	39	36	33	31	28	25	22
234	237	52	49	46	43	40	37	34	31	29	26	23
237	240	53	50	47	44	41	38	35	32	29	26	24
240	243	54	51	48	44	42	39	36	33	30	27	24
243	246	55	52	49	45	42	40	37	34	31	28	25
246	249	56	53	49	46	43	40	38	35	32	29	26
249	252	57	54	50	47	44	41	38	36	33	30	27
252	255	58	54	51	48	45	42	39	36	34	31	28
255	258	59	55	52	49	46	43	40	37	34	32	29
258	261	59	56	53	50	47	44	41	38	35	32	30
261	264	60	57	54	51	48	45	42	39	36	33	30
264	267	61	58	55	52	49	46	43	40	37	34	31
267	270	62	59	56	53	50	46	43	41	38	35	32
270	273	63	60	57	54	51	47	44	41	39	36	33
273	276	64	61	58	55	51	48	45	42	39	37	34
276	279	65	62	59	56	52	49	46	43	40	37	35
279	282	66	63	60	57	53	50	47	44	41	38	35
282	285	67	64	61	57	54	51	48	45	42	39	36
285	288	68	65	62	58	55	52	49	46	43	40	37
288	291	69	66	62	59	56	53	50	47	44	41	38
291	294	70	67	63	60	57	54	51	48	44	42	39
294	297	71	67	64	61	58	55	52	49	45	42	40
297	300	72	68	65	62	59	56	53	49	46	43	40
300	303	72	69	66	63	60	57	54	50	47	44	41
303	306	73	70	67	64	61	58	54	51	48	45	42
306	309	74	71	68	65	62	59	55	52	49	46	43
309	312	75	72	69	66	63	59	56	53	50	47	44
312	315	76	73	70	67	64	60	57	54	51	48	45
315	318	77	74	71	68	65	61	58	55	52	49	46
318	321	78	75	72	69	65	62	59	56	53	50	46
321	324	79	76	73	70	66	63	60	57	54	51	47
324	327	80	77	74	70	67	64	61	58	55	51	48
327	330	81	78	75	71	68	65	62	59	56	52	49
330	333	82	79	75	72	69	66	63	60	57	53	50
333	336	83	80	76	73	70	67	64	61	57	54	51
336	339	84	80	77	74	71	68	65	62	58	55	52
339	341	84	81	78	75	72	69	65	62	59	56	53
341	343	85	82	79	76	72	69	66	63	60	57	53
343	345	86	83	79	76	73	70	67	64	60	57	54
345	347	86	83	80	77	74	70	67	64	61	58	55
347	349	87	84	81	77	74	71	68	65	62	58	55
349	351	88	84	81	78	75	72	69	65	62	59	56
351	353	88	85	82	79	76	72	69	66	63	60	57
353	355	89	86	82	79	76	73	70	67	63	60	57
355	357	89	86	83	80	77	74	70	67	64	61	58
357	359	90	87	84	81	77	74	71	68	65	62	58
359	361	91	87	84	81	78	75	72	69	65	62	59
361	363	91	88	85	82	79	75	72	69	66	63	60
363	365	92	89	86	82	79	76	73	70	67	63	60
365	367	92	89	86	83	80	77	74	70	67	64	61
367	369	93	90	87	84	80	77	74	71	68	65	62
369	371	94	91	87	84	81	78	75	72	68	65	62
371	373	94	91	88	85	82	79	75	72	69	66	63
373	375	95	92	89	85	82	79	76	73	70	67	63
375	377	96	92	89	86	83	80	77	73	70	67	64
377	379	96	93	90	87	84	80	77	74	71	68	65
379	381	97	94	91	87	84	81	78	75	72	68	65
381	383	97	94	91	88	85	82	78	75	72	69	66
383	385	98	95	92	89	85	82	79	76	73	70	66
385	387	99	96	92	89	86	83	80	77	73	70	67
387	389	99	96	93	90	87	84	80	77	74	71	68

\$389 and over

Use Table 8(a) for a **SINGLE person** on page 35. Also see the instructions on page 32.

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$27	0	0	0	0	0	0	0	0	0	0	0
27	30	1	0	0	0	0	0	0	0	0	0	0
30	33	1	0	0	0	0	0	0	0	0	0	0
33	36	1	0	0	0	0	0	0	0	0	0	0
36	39	2	0	0	0	0	0	0	0	0	0	0
39	42	2	1	0	0	0	0	0	0	0	0	0
42	45	3	1	0	0	0	0	0	0	0	0	0
45	48	3	2	0	0	0	0	0	0	0	0	0
48	51	4	2	1	0	0	0	0	0	0	0	0
51	54	4	3	1	0	0	0	0	0	0	0	0
54	57	5	3	2	0	0	0	0	0	0	0	0
57	60	5	4	2	0	0	0	0	0	0	0	0
60	63	6	4	2	1	0	0	0	0	0	0	0
63	66	6	4	3	1	0	0	0	0	0	0	0
66	69	6	5	3	2	0	0	0	0	0	0	0
69	72	7	5	4	2	1	0	0	0	0	0	0
72	75	7	6	4	3	1	0	0	0	0	0	0
75	78	8	6	5	3	2	0	0	0	0	0	0
78	81	8	7	5	4	2	1	0	0	0	0	0
81	84	9	7	6	4	3	1	0	0	0	0	0
84	87	9	8	6	5	3	1	0	0	0	0	0
87	90	10	8	6	5	3	2	0	0	0	0	0
90	93	10	8	7	5	4	2	1	0	0	0	0
93	96	10	9	7	6	4	3	1	0	0	0	0
96	99	11	9	8	6	5	3	2	0	0	0	0
99	102	11	10	8	7	5	4	2	1	0	0	0
102	105	12	10	9	7	6	4	3	1	0	0	0
105	108	12	11	9	8	6	5	3	2	0	0	0
108	111	13	11	10	8	7	5	4	2	0	0	0
111	114	13	12	10	9	7	6	4	2	1	0	0
114	117	14	12	11	9	7	6	4	3	1	0	0
117	120	14	13	11	9	8	6	5	3	2	0	0
120	123	15	13	11	10	8	7	5	4	2	1	0
123	126	15	13	12	10	9	7	6	4	3	1	0
126	129	15	14	12	11	9	8	6	5	3	2	0
129	132	16	14	13	11	10	8	7	5	4	2	1
132	135	16	15	13	12	10	9	7	6	4	3	1
135	138	17	15	14	12	11	9	8	6	5	3	1
138	141	17	16	14	13	11	10	8	7	5	3	2
141	144	18	16	15	13	12	10	8	7	5	4	2
144	147	18	17	15	14	12	10	9	7	6	4	3
147	150	19	17	15	14	12	11	9	8	6	5	3
150	153	19	17	16	14	13	11	10	8	7	5	4
153	156	19	18	16	15	13	12	10	9	7	6	4
156	159	20	18	17	15	14	12	11	9	8	6	5
159	162	20	19	17	16	14	13	11	10	8	7	5
162	165	21	19	18	16	15	13	12	10	9	7	6
165	168	21	20	18	17	15	14	12	11	9	7	6
168	171	22	20	19	17	16	14	13	11	9	8	6
171	174	22	21	19	18	16	15	13	11	10	8	7
174	177	23	21	20	18	16	15	13	12	10	9	7
177	180	24	22	20	18	17	15	14	12	11	9	8
180	183	24	22	20	19	17	16	14	13	11	10	8
183	186	25	22	21	19	18	16	15	13	12	10	9
186	189	26	23	21	20	18	17	15	14	12	11	9
189	192	27	24	22	20	19	17	16	14	13	11	10
192	195	28	25	22	21	19	18	16	15	13	12	10
195	198	29	26	23	21	20	18	17	15	14	12	10
198	201	29	27	24	22	20	19	17	16	14	12	11
201	204	30	27	25	22	21	19	17	16	14	13	11
204	207	31	28	25	23	21	19	18	16	15	13	12
207	210	32	29	26	23	21	20	18	17	15	14	12
210	213	33	30	27	24	22	20	19	17	16	14	13
213	216	34	31	28	25	22	21	19	18	16	15	13
216	219	34	32	29	26	23	21	20	18	17	15	14
219	222	35	32	30	27	24	22	20	19	17	16	14
222	225	36	33	30	28	25	22	21	19	18	16	15
225	228	37	34	31	28	26	23	21	20	18	16	15
228	231	38	35	32	29	26	24	22	20	18	17	15
231	234	39	36	33	30	27	24	22	20	19	17	16

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 1997)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$234	\$237	39	37	34	31	28	25	22	21	19	18	16
237	240	40	37	35	32	29	26	23	21	20	18	17
240	243	41	38	35	33	30	27	24	22	20	19	17
243	246	42	39	36	33	31	28	25	22	21	19	18
246	249	43	40	37	34	31	29	26	23	21	20	18
249	252	44	41	38	35	32	29	27	24	22	20	19
252	255	45	42	39	36	33	30	27	25	22	21	19
255	258	45	43	40	37	34	31	28	25	23	21	19
258	261	46	43	41	38	35	32	29	26	23	21	20
261	264	47	44	41	38	36	33	30	27	24	22	20
264	267	48	45	42	39	36	34	31	28	25	22	21
267	270	49	46	43	40	37	34	32	29	26	23	21
270	273	50	47	44	41	38	35	32	30	27	24	22
273	276	50	48	45	42	39	36	33	30	28	25	22
276	279	51	48	46	43	40	37	34	31	28	26	23
279	282	52	49	46	44	41	38	35	32	29	26	24
282	285	53	50	47	44	42	39	36	33	30	27	24
285	288	54	51	48	45	42	40	37	34	31	28	25
288	291	55	52	49	46	43	40	37	35	32	29	26
291	294	55	53	50	47	44	41	38	35	33	30	27
294	297	56	53	51	48	45	42	39	36	33	31	28
297	300	57	54	51	49	46	43	40	37	34	31	29
300	303	58	55	52	49	47	44	41	38	35	32	29
303	306	59	56	53	50	47	45	42	39	36	33	30
306	309	60	57	54	51	48	45	43	40	37	34	31
309	312	60	58	55	52	49	46	43	41	38	35	32
312	315	61	58	56	53	50	47	44	41	39	36	33
315	318	62	59	56	54	51	48	45	42	39	36	34
318	321	63	60	57	54	52	49	46	43	40	37	34
321	324	64	61	58	55	52	50	47	44	41	38	35
324	327	65	62	59	56	53	50	48	45	42	39	36
327	330	66	63	60	57	54	51	48	46	43	40	37
330	333	66	64	61	58	55	52	49	46	44	41	38
333	336	67	64	62	59	56	53	50	47	44	42	39
336	339	68	65	62	59	57	54	51	48	45	42	40
339	341	69	66	63	60	57	54	52	49	46	43	40
341	343	69	66	64	61	58	55	52	49	46	44	41
343	345	70	67	64	61	58	56	53	50	47	44	41
345	347	70	68	65	62	59	56	53	50	48	45	42
347	349	71	68	65	62	60	57	54	51	48	45	42
349	351	72	69	66	63	60	57	54	52	49	46	43
351	353	72	69	66	64	61	58	55	52	49	46	44
353	355	73	70	67	64	61	58	56	53	50	47	44
355	357	73	70	68	65	62	59	56	53	50	48	45
357	359	74	71	68	65	62	60	57	54	51	48	45
359	361	74	72	69	66	63	60	57	54	52	49	46
361	363	75	72	69	66	63	61	58	55	52	49	46
363	365	76	73	70	67	64	61	58	55	53	50	47
365	367	76	73	70	67	65	62	59	56	53	50	47
367	369	77	74	71	68	65	62	59	57	54	51	48
369	371	78	74	71	69	66	63	60	57	54	51	49
371	373	78	75	72	69	66	63	61	58	55	52	49
373	375	79	76	73	70	67	64	61	58	55	53	50
375	377	79	76	73	70	67	65	62	59	56	53	50
377	379	80	77	74	71	68	65	62	59	57	54	51
379	381	81	77	74	71	69	66	63	60	57	54	51
381	383	81	78	75	72	69	66	63	61	58	55	52
383	385	82	79	76	73	70	67	64	61	58	55	53
385	387	83	79	76	73	70	67	65	62	59	56	53
387	389	83	80	77	74	71	68	65	62	59	57	54
389	391	84	81	77	74	71	68	66	63	60	57	54
391	393	84	81	78	75	72	69	66	63	60	58	55
393	395	85	82	79	76	72	70	67	64	61	58	55
395	397	86	82	79	76	73	70	67	64	62	59	56
397	399	86	83	80	77	74	71	68	65	62	59	56

\$399 and over

Use Table 8(b) for a **MARRIED** person on page 35. Also see the instructions on page 32.

Tables for Percentage Method of Advance EIC Payments

(For Wages Paid in 1997)

Table 1. WEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$125 . . .	20.40% of wages
\$125	\$229 . . .	\$26
\$229	. . . . .	\$26 less 9.588% of wages in excess of \$229

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$62 . . .	20.40% of wages
\$62	\$114 . . .	\$13
\$114	. . . . .	\$13 less 9.588% of wages in excess of \$114

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$250 . . .	20.40% of wages
\$250	\$458 . . .	\$51
\$458	. . . . .	\$51 less 9.588% of wages in excess of \$458

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$125 . . .	20.40% of wages
\$125	\$229 . . .	\$26
\$229	. . . . .	\$26 less 9.588% of wages in excess of \$229

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$270 . . .	20.40% of wages
\$270	\$497 . . .	\$55
\$497	. . . . .	\$55 less 9.588% of wages in excess of \$497

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$135 . . .	20.40% of wages
\$135	\$248 . . .	\$28
\$248	. . . . .	\$28 less 9.588% of wages in excess of \$248

Table 4. MONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$541 . . .	20.40% of wages
\$541	\$994 . . .	\$110
\$994	. . . . .	\$110 less 9.588% of wages in excess of \$994

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$270 . . .	20.40% of wages
\$270	\$497 . . .	\$55
\$497	. . . . .	\$55 less 9.588% of wages in excess of \$497

Tables for Percentage Method of Advance EIC Payments (Continued)
(For Wages Paid in 1997)

Table 5. QUARTERLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$1,625 . . .	20.40% of wages
\$1,625	\$2,982 . . .	\$332
\$2,982	. . . . .	\$332 less 9.588% of wages in excess of \$2,982

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$812 . . .	20.40% of wages
\$812	\$1,491 . . .	\$166
\$1,491	. . . . .	\$166 less 9.588% of wages in excess of \$1,491

Table 6. SEMIANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$3,250 . . .	20.40% of wages
\$3,250	\$5,965 . . .	\$663
\$5,965	. . . . .	\$663 less 9.588% of wages in excess of \$5,965

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$1,625 . . .	20.40% of wages
\$1,625	\$2,982 . . .	\$332
\$2,982	. . . . .	\$332 less 9.588% of wages in excess of \$2,982

Table 7. ANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$6,500 . . .	20.40% of wages
\$6,500	\$11,930 . . .	\$1,326
\$11,930	. . . . .	\$1,326 less 9.588% of wages in excess of \$11,930

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$3,250 . . .	20.40% of wages
\$3,250	\$5,965 . . .	\$663
\$5,965	. . . . .	\$663 less 9.588% of wages in excess of \$5,965

Table 8. DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:
Over—	But not over—	
\$0	\$25	20.40% of wages
\$25	\$45	\$5
\$45	. . . . .	\$5 less 9.588% of wages in excess of \$45

(b) MARRIED With Both Spouses Filing Certificate

If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:
Over—	But not over—	
\$0	\$12	20.40% of wages
\$12	\$22	\$2
\$22	. . . . .	\$2 less 9.588% of wages in excess of \$22

Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 1997)

WEEKLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$70	\$75	\$14	\$255	\$265	\$22	\$395	\$405	\$9
5	10	1	75	80	15	265	275	21	405	415	8
10	15	2	80	85	16	275	285	20	415	425	7
15	20	3	85	90	17	285	295	19	425	435	6
20	25	4	90	95	18	295	305	18	435	445	5
25	30	5	95	100	19	305	315	17	445	455	4
30	35	6	100	105	20	315	325	16	455	465	3
35	40	7	105	110	21	325	335	15	465	475	2
40	45	8	110	115	22	335	345	14	475	485	1
45	50	9	115	120	23	345	355	13	485	- - -	0
50	55	10	120	225	24	355	365	13			
55	60	11	225	235	25	365	375	12			
60	65	12	235	245	24	375	385	11			
65	70	13	245	255	23	385	395	10			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$35	\$40	\$7	\$120	\$130	\$11	\$190	\$200	\$5
5	10	1	40	45	8	130	140	10	200	210	4
10	15	2	45	50	9	140	150	9	210	220	3
15	20	3	50	55	10	150	160	8	220	230	2
20	25	4	55	60	11	160	170	7	230	240	1
25	30	5	60	110	12	170	180	6	240	- - -	0
30	35	6	110	120	12	180	190	6			

BIWEEKLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$130	\$135	\$27	\$475	\$485	\$48	\$735	\$745	\$24
5	10	1	135	140	28	485	495	48	745	755	23
10	15	2	140	145	29	495	505	47	755	765	22
15	20	3	145	150	30	505	515	46	765	775	21
20	25	4	150	155	31	515	525	45	775	785	20
25	30	5	155	160	32	525	535	44	785	795	19
30	35	6	160	165	33	535	545	43	795	805	18
35	40	7	165	170	34	545	555	42	805	815	17
40	45	8	170	175	35	555	565	41	815	825	16
45	50	9	175	180	36	565	575	40	825	835	15
50	55	10	180	185	37	575	585	39	835	845	14
55	60	11	185	190	38	585	595	38	845	855	13
60	65	12	190	195	39	595	605	37	855	865	12
65	70	13	195	200	40	605	615	36	865	875	11
70	75	14	200	205	41	615	625	35	875	885	10
75	80	15	205	210	42	625	635	34	885	895	9
80	85	16	210	215	43	635	645	33	895	905	8
85	90	17	215	220	44	645	655	32	905	915	7
90	95	18	220	225	45	655	665	31	915	925	6
95	100	19	225	230	46	665	675	30	925	935	5
100	105	20	230	235	47	675	685	29	935	945	4
105	110	21	235	240	48	685	695	28	945	955	3
110	115	22	240	245	49	695	705	27	955	965	2
115	120	23	245	455	50	705	715	26	965	975	2
120	125	24	455	465	50	715	725	25	975	985	1
125	130	26	465	475	49	725	735	25	985	- - -	0

BIWEEKLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$235	\$245	\$24	\$365	\$375	\$12
5	10	1	70	75	14	245	255	23	375	385	11
10	15	2	75	80	15	255	265	22	385	395	10
15	20	3	80	85	16	265	275	21	395	405	9
20	25	4	85	90	17	275	285	20	405	415	8
25	30	5	90	95	18	285	295	19	415	425	7
30	35	6	95	100	19	295	305	18	425	435	6
35	40	7	100	105	20	305	315	17	435	445	5
40	45	8	105	110	21	315	325	16	445	455	4
45	50	9	110	115	22	325	335	15	455	465	3
50	55	10	115	120	23	335	345	14	465	475	2
55	60	11	120	225	24	345	355	13	475	485	1
60	65	12	225	235	25	355	365	13	485	- - -	0

SEMIMONTHLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$505	\$515	\$54	\$785	\$795	\$27
5	10	1	145	150	30	515	525	53	795	805	26
10	15	2	150	155	31	525	535	52	805	815	25
15	20	3	155	160	32	535	545	51	815	825	24
20	25	4	160	165	33	545	555	50	825	835	23
25	30	5	165	170	34	555	565	49	835	845	22
30	35	6	170	175	35	565	575	48	845	855	21
35	40	7	175	180	36	575	585	47	855	865	20
40	45	8	180	185	37	585	595	46	865	875	19
45	50	9	185	190	38	595	605	45	875	885	18
50	55	10	190	195	39	605	615	44	885	895	17
55	60	11	195	200	40	615	625	43	895	905	16
60	65	12	200	205	41	625	635	42	905	915	15
65	70	13	205	210	42	635	645	41	915	925	14
70	75	14	210	215	43	645	655	40	925	935	13
75	80	15	215	220	44	655	665	39	935	945	12
80	85	16	220	225	45	665	675	38	945	955	11
85	90	17	225	230	46	675	685	37	955	965	10
90	95	18	230	235	47	685	695	36	965	975	9
95	100	19	235	240	48	695	705	35	975	985	8
100	105	20	240	245	49	705	715	34	985	995	8
105	110	21	245	250	50	715	725	33	995	1,005	7
110	115	22	250	255	51	725	735	32	1,005	1,015	6
115	120	23	255	260	52	735	745	31	1,015	1,025	5
120	125	24	260	265	53	745	755	31	1,025	1,035	4
125	130	26	265	270	54	755	765	30	1,035	1,045	3
130	135	27	270	495	55	765	775	29	1,045	1,055	2
135	140	28	495	505	54	775	785	28	1,055	1,065	1
									1,065	- - -	0

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$50	\$55	\$10	\$100	\$105	\$20	\$265	\$275	\$25
5	10	1	55	60	11	105	110	21	275	285	24
10	15	2	60	65	12	110	115	22	285	295	23
15	20	3	65	70	13	115	120	23	295	305	22
20	25	4	70	75	14	120	125	24	305	315	21
25	30	5	75	80	15	125	130	26	315	325	20
30	35	6	80	85	16	130	135	27	325	335	19
35	40	7	85	90	17	135	245	28	335	345	18
40	45	8	90	95	18	245	255	27	345	355	17
45	50	9	95	100	19	255	265	26	355	365	16

(continued on next page)

MONTHLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$145	\$150	\$30	\$515	\$525	\$53	\$795	\$805	\$26
5	10	1	150	155	31	525	535	52	805	815	25
10	15	2	155	160	32	535	545	51	815	825	24
15	20	3	160	165	33	545	555	50	825	835	23
20	25	4	165	170	34	555	565	49	835	845	22
25	30	5	170	175	35	565	575	48	845	855	21
30	35	6	175	180	36	575	585	47	855	865	20
35	40	7	180	185	37	585	595	46	865	875	19
40	45	8	185	190	38	595	605	45	875	885	18
45	50	9	190	195	39	605	615	44	885	895	17
50	55	10	195	200	40	615	625	43	895	905	16
55	60	11	200	205	41	625	635	42	905	915	15
60	65	12	205	210	42	635	645	41	915	925	14
65	70	13	210	215	43	645	655	40	925	935	13
70	75	14	215	220	44	655	665	39	935	945	12
75	80	15	220	225	45	665	675	38	945	955	11
80	85	16	225	230	46	675	685	37	955	965	10
85	90	17	230	235	47	685	695	36	965	975	9
90	95	18	235	240	48	695	705	35	975	985	8
95	100	19	240	245	49	705	715	34	985	995	8
100	105	20	245	250	50	715	725	33	995	1,005	7
105	110	21	250	255	51	725	735	32	1,005	1,015	6
110	115	22	255	260	52	735	745	31	1,015	1,025	5
115	120	23	260	265	53	745	755	31	1,025	1,035	4
120	125	24	265	270	54	755	765	30	1,035	1,045	3
125	130	26	270	495	55	765	775	29	1,045	1,055	2
130	135	27	495	505	54	775	785	28	1,055	1,065	1
135	140	28	505	515	54	785	795	27	1,065	- - -	0
140	145	29									

DAILY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$15	\$20	\$3	\$55	\$65	\$3	\$75	\$85	\$1
5	10	1	20	45	4	65	75	2	85	- - -	0
10	15	2	45	55	4						

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$10	\$20	\$2	\$30	\$40	\$1	\$40	- - -	\$0
5	10	1	20	30	2						

Employer's Order Blank for 1997 Forms

Instructions

Enter the quantity next to the form you are ordering and fully complete the mailing label. The titles of these forms are listed on the back. If you need forms that are not listed on the order blank, enter the form number and quantity in the blank boxes. Use this form for ordering 1997 forms ONLY. **IRS will not ship these forms before January 1997.** Forms may be printed one, two, or three to a sheet. Please order the number of forms, NOT the number of sheets.

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FORM	QUANTITY	FORM	QUANTITY	FORM	QUANTITY	FORM	QUANTITY
W-2		W-4P		1099-B		1099-OID	
W-2c		W-4S		1099-C		1099-PATR	
Instr. W-2		W-5		1099-DIV		1099-R	
W-3		1096		1099-G		1099-S	
W-3c		1098		1099-INT		5498	
W-4		1099-A		1099-MISC		Instr. 1099	
Pub. 15-A		Pub. 1494					

Print or Type Only

Firm/Company name	
Attention	
Firm/Company address (number and street)	
City, State	ZIP code

Where To Send Your Order

Send your order to the Internal Revenue Service address for your state.

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 Bloomington, IL 61702-8908

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Western Area Distribution Center
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 Richmond, VA 23261-5075

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FORM	QUANTITY	FORM	QUANTITY
W-2		W-4P	
W-2c		W-4S	
Instr. W-2		W-5	
W-3		1096	
W-3c		1098	
W-4		1099-A	
Pub. 15-A		Pub. 1494	

FORM	QUANTITY
1099-B	
1099-C	
1099-DIV	
1099-G	
1099-INT	
1099-MISC	

FORM	QUANTITY
1099-OID	
1099-PATR	
1099-R	
1099-S	
5498	
Instr. 1099	

Print or Type Only

Firm/Company name	
Attention	
Firm/Company address (number and street)	
City, State	ZIP code

Where To Send Your Order

Send your order to the Internal Revenue Service address for your state.

Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Wisconsin	Central Area Distribution Center P.O. Box 8908 Bloomington, IL 61702-8908
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, Wyoming	Western Area Distribution Center Rancho Cordova, CA 95743-9999
Connecticut, Delaware, District of Columbia, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Eastern Area Distribution Center P.O. Box 85075 Richmond, VA 23261-5075

Forms and Publications You May Need:

- | | | |
|--|--|--|
| Form W-2, Wage and Tax Statement (two forms per sheet) | Form 1096, Annual Summary and Transmittal of U.S. Information Returns (one form per sheet) | Form 1099-OID, Original Issue Discount (three forms per sheet) |
| Form W-2c, Corrected Wage and Tax Statement (two forms per sheet) | Form 1098, Mortgage Interest Statement (three forms per sheet) | Form 1099-PATR, Taxable Distributions Received From Cooperatives (three forms per sheet) |
| Instructions for Form W-2 | Form 1099-A, Acquisition or Abandonment of Secured Property (three forms per sheet) | Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. (two forms per sheet) |
| Form W-3, Transmittal of Wage and Tax Statements (one form per sheet) | Form 1099-B, Proceeds From Broker and Barter Exchange Transactions (three forms per sheet) | Form 1099-S, Proceeds From Real Estate Transactions (three forms per sheet) |
| Form W-3c, Transmittal of Corrected Wage and Tax Statements (one form per sheet) | Form 1099-C, Cancellation of Debt (three forms per sheet) | Form 5498, Individual Retirement Arrangement Information (three forms per sheet) |
| Form W-4, Employee's Withholding Allowance Certificate (one form per sheet) | Form 1099-DIV, Dividends and Distributions (three forms per sheet) | Instructions for Forms 1099, 1098, 5498, and W-2G |
| Form W-4P, Withholding Certificate for Pension or Annuity Payments (one form per sheet) | Form 1099-G, Certain Government Payments (three forms per sheet) | Pub. 15-A, Employer's Supplemental Tax Guide |
| Form W-4S, Request for Federal Income Tax Withholding From Sick Pay (one form per sheet) | Form 1099-INT, Interest Income (three forms per sheet) | Pub. 1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Form 668W and 668W(c)) |
| Form W-5, Earned Income Credit Advance Payment Certificate (one form per sheet) | Form 1099-MISC, Miscellaneous Income (three forms per sheet) | |

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Rancho Cordova, CA 95743-9999

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